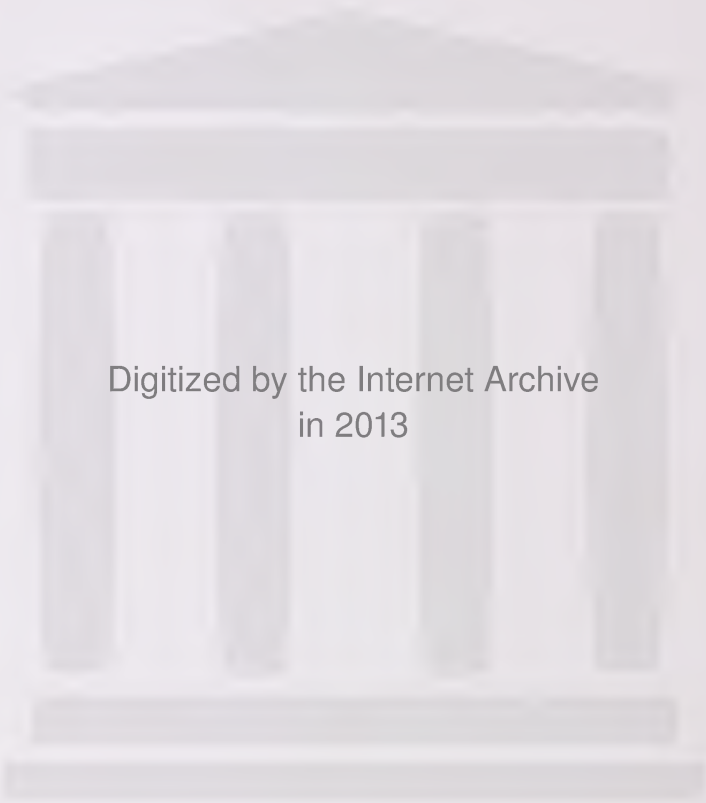
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FIFTY-SECOND

ANNUAL REPORT

OF THE

PRESIDENT AND DIRECTORS

TO THE

STOCKHOLDERS

OF THE

Baltimore and Ohio Railroad Company,

FOR THE YEAR ENDED SEPTEMBER 30TH, 1878.

Baltimore:
THE SUN BOOK AND JOB PRINTING ESTABLISHMENT.
1878.

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1878.

Fifty-Second Annual Report.

OFFICE OF THE
Baltimore and Ohio Railroad Company,
Baltimore, October 1, 1878.

The President and Directors submit to the Stockholders of the Baltimore and Ohio Railroad Company the following statement of its affairs for the fiscal year ended September 30th, 1878.

The reports of the Treasury, Transportation, Road and Machinery Departments, and of the Superintendent of the Trans-Ohio Divisions, are appended.

THE REVENUES.

The Revenues of the Main Stem, including the Winchester and Potomac, Winchester and Strasburg, the Strasburg and Harrisonburg, the Metropolitan Branch and the Washington City and Point Lookout Railroads, and of the Washington County Railroad for three months to January 1st, 1878, have been	$8,563,956 85
Of the Washington Branch	276,879 40
" Parkersburg Branch	659,698 77
" Central Ohio Division	829,252 77
" Lake Erie Division	657,632 04
" Chicago Division	1,057,558 96
" Wheeling, Pittsburgh and Baltimore (formerly the Hempfield) Railroad	40,984 25
" Newark, Somerset and Straitsville Railroad	135,295 06
" Pittsburgh and Connellsville Railroad (Pittsburgh Division)	1,544,021 89
Total	$13,765,279 99
Showing an increase, compared with 1877, of	556,419 91

I.—Of the Main Stem.

The assets and liabilities of the Company are shown in statement A of the Treasurer. The earnings and working expenses are shown in statement B.

The expenses of working and keeping the roads and machinery in repair amounted to $4,524,344.98, being 52.83 per cent. upon the earnings, showing a decrease of 2.90 per cent. compared with the previous year, and of 3.35 per cent. compared with 1876.

The following analytic statement is given, in order to furnish particulars of expenses in comparison with the two preceding years:

MAIN STEM.

Statement of the Earnings and Working Expenses for the Fiscal Years 1876, 1877 and 1878, including the Winchester and Potomac, Winchester and Strasburg, the Strasburg and Harrisonburg, the Metropolitan Branch, and the Washington City and Point Lookout Railroads, and the Washington County Railroad for 1876 and 1877, and for three months to January 1st, 1878.

	1876.	1877.	1878.
Earnings.	$9,632,361 06	$8,262,045 29	$8,563,956 85
Expenses.			
General Expenses	$ 118,510 68	$ 125,855 14	$ 118,379 00
Losses by Accidents, &c.	84,910 30	47,185 83	87,860 36
Expenses of Transportation	2,012,590 21	1,668,747 46	1,672,086 17
Repairs of Railway	943,743 19	808,369 21	613,302 16
Repairs of Water Stations	28,170 63	14,982 42	11,087 27
Repairs and Construction of Depots	81,286 48	80,048 84	73,522 78
Repairs of Bridges	116,713 33	114,109 85	84,540 01
Repairs and Construction of Telegraph Lines	15,516 16	16,097 79	19,004 34
Repairs of Stationary Machinery	93,017 85	90,380 97	80,199 17
Watching Cuts	50,242 19	41,306 32	43,672 68
Watching Tunnels	2,960 25	3,388 23	3,947 12
Watching Bridges	23,972 47	24,149 20	22,531 26
Pumping Water	29,865 81	28,872 48	25,299 49
Repairs of Locomotives	518,421 28	496,172 89	459,649 41
Repairs of Passenger Cars	259,681 73	226,781 57	198,119 58
Repairs of Burden Cars, including Construction of New Cars	504,720 37	385,582 55	626,919 86
Cleaning Engines and Cars	110,197 34	91,187 31	80,893 90
Contingent Expenses of the Machinery Department	6,275 75	5,098 86	4,688 69
Fuel	377,778 18	312,334 25	275,306 01
Preparing Fuel and Filling Tenders	33,061 33	24,500 70	23,335 72
	$5,411,635 53	$4,605,151 87	$4,524,344 98
Earnings more than Expenses	$4,220,725 53	$3,656,893 42	$4,039,611 87
Working Expenses	56.18 per cent.	55.73 per cent.	52.83 per cent.

It is shown that the earnings of the Main Stem and the Branches stated, in comparison with the fiscal year 1877, have increased $301,911.56, and the working expenses have decreased $80,806 89, making a comparative increase in the net profits of $382,718.45.

The Sinking Fund, for the payment of the loan of the City of Baltimore, which was originally $5,000,000, increased during the year $103,487.91, making the payment in advance and in reduction of that loan, which will mature in 1890, $2,061,908.91.

The payments for investments on account of the Sinking Fund, for the redemption of the Sterling loans due in 1895, 1902, 1910 and 1927, during the year amounted to $458,048.51, which at $4 84 per pound sterling, make £94,638 2s. 5d.

The principles upon which the Sinking Funds of the Baltimore and Ohio Railroad Company are based will cause the entire indebtedness with which they are connected to be met, by the period of the maturity of the respective loans, from the annual appropriations made for these funds, together with the interest accruing from their accumulations.

In accordance with the agreement with the City of Baltimore, the third annual payment, namely, $40,000 of the principal of the bond for one million dollars, given for the purchase of the interest of the city in the Pittsburgh and Connellsville Railroad Company, has been made, thus reducing this obligation to $880,000.

The investments for the Sinking Funds, and the payment of part of the principal of the Bond for the purchase of the interest of the City of Baltimore in the Pittsburgh and Connellsville Railroad, amount for the fiscal year to $601,536.42.

Of the Mortgage Loan payable in 1880, $120,500 have been anticipated, leaving $579,500 to be paid. $790,000 have been paid in anticipation of the loan redeemable in 1885, which was

originally $2,500,000, leaving the remainder of this loan $1,710,000.

Of the bonds for $500,000, endorsed by the Baltimore and Ohio Railroad Company, under the contract of July 18, 1864, of the Northwestern Virginia Railroad Company, due in 1885, $360,000 have been anticipated, reducing the sum unpaid to $140,000. Upon this road, now known as the Parkersburg Branch, which cost upwards of nine millions of dollars, the $140,000 stated is the only remaining mortgage indebtedness—the Baltimore and Ohio Company having paid off the entire first and second mortgages, amounting to $2,500,000, and $360,000 of the third mortgage, making the aggregate of these payments $2,860,000.

The following statement shows the payments made, and the increments in Sinking Funds during the fiscal year for account of the respective debts:

Increment of City Sinking Fund	$103,487 91
Increment of Sinking Funds for the redemption of the sterling loans due in 1895, 1902, 1910 and 1927	458,048 51
Payment on account of the principal of debt to City of Baltimore for the purchase of interest in the Pittsburgh and Connellsville Company	40,000 00
For the Pittsburgh and Connellsville Sinking Fund	23,289 43
For the Baltimore and Ohio and Chicago Railroad Companies' Sinking Fund	40,965 76
Total	$665,791 61

The following statement shows the payments made on account of the principal, and the investments for Sinking Funds, on account of the respective debts:

On account of the Mortgage Loan payable in 1880....	$120,500 00
On account of the Mortgage Loan payable in 1885....	790,000 00
On account of the bonds of the Northwestern Virginia Railroad Company, for $500,000, endorsed by Baltimore and Ohio Railroad Company, payable in 1885..	360,000 00
On account of the Loan of the City of Baltimore.....	2,061,908 91
On account of the Sterling Loan redeemable in 1895....	854,303 00
On account of the Sterling Loan redeemable in 1902....	996,313 65
On account of the Sterling Loan redeemable in 1910....	447,658 10
On account of the Sterling Loan redeemable in 1927....	40,965 76
On account of the purchase of the interest of the City of Baltimore in the Pittsburgh and Connellsville Railroad Company.....	120,000 00
On account of the Sinking Fund of the Pittsburgh and Connellsville Railroad Company.....	44,585 43
Total	$5,836,234 85

The subjoined statements exhibit the reduction of the indebtedness stated, during the fiscal year:

REPORT OF OCTOBER 1, 1877.

Sterling Debentures, due in 1878, 1880 and 1881.....	$3,872,000 00	
Bills payable.....	2,967,491 67	
Obligations maturing January 1, 1878, and Loans.....	1,555,689 06	
Total		$8,395,180 73

REPORT OF OCTOBER 1, 1878.

Sterling Debentures due in 1880 and 1881,	$2,420,000 00	
Bills payable.....	2,563,302 29	
Sterling Obligations and Loans.....	2,554,959 33	
Total.....		7,538,261 62

Showing a reduction during the year of	$ 856,919 11
Add payments on account of the principal of debt, and of the Sinking Funds during the fiscal year	665,791 61
Making	$1,522,710 72
Add payment of cash dividend on November 15, 1877	394,326 00
Showing payments and investments for the objects stated, during the year, from the net earnings of the Company, of	$ 1,917,036 72

On the first of January, 1878, £350,000 of debentures and sterling obligations were paid in London. These obligations were negotiated in 1875, when the premium on gold was 14½ to 17 per cent. In paying this debt an advantage to the Company was realized, in consequence of the decline in the premium on gold, of upwards of 12 per cent.

A semi-annual dividend of three per cent. upon the capital stock was paid in cash on the fifteenth of November, 1877, and on the fifteenth of May, 1878, a stock dividend was made of four per cent.

In view of the indebtedness incurred by the Company having furnished the means to construct the Baltimore Short Line and the Cincinnati and Baltimore Railroads, and for the aid of the Marietta and Cincinnati and Pittsburgh and Connellsville Companies, and other important connecting lines, it was deemed wise to use the net earnings of the Road for the reduction of the indebtedness. A dividend of four per cent., representing part of these earnings, was therefore declared in stock, and the sum used in the payment of the said indebtedness.

It is shown by the report of the Transportation Department that the tonnage of through merchandise, East and West, has been 1,149,499, whilst in the preceding year it was 1,047,645

tons. For 1876 this traffic was 1,093,393 tons; for 1875, 872,-101 tons; for 1874, 752,256 tons; for 1873, 640,265 tons; for 1872, 557,609 tons; for 1871, 435,207 tons. 778,211 barrels of flour, and 20,639,654 bushels of grain were brought to Baltimore during the fiscal year, being an increase of 136,509 barrels and 4,259,793 bushels respectively. Of this aggregate of grain 9,365,233 bushels were wheat. The receipts of wheat for the preceding year by the Baltimore and Ohio Railroad were 2,500,600 bushels, showing an increase of 6,864,633 bushels, and an increase over 1876 of 8,744,933 bushels.

The receipts of corn for 1875 by the Baltimore and Ohio Railroad were 5,591,633 bushels; for 1876, 15,948,107 bushels; for 1877, 13,290,714 bushels; and for 1878, 10,164,285 bushels, showing a decrease of 3,126,429 bushels compared with the preceding year. The decrease in corn arose in a large degree from the fact that the rates during a portion of the year were so low, in consequence of the action of some competing lines, as to cause absolute losses, and at several periods the Baltimore and Ohio Company declined to carry this commodity at rates that were not only unremunerative, but which did not repay the actual expenses connected with its transportation. Another reason for this decrease was the diminished crop, caused by damage from protracted rains in the territory traversed by the Baltimore and Ohio Road and its connections.

In live stock the traffic has been 132,462 tons; in lumber brought to Baltimore 41,270 tons; and in petroleum 601,907 barrels.

The passenger earnings exhibit a decrease from $1,364,804.38 in the preceding year to $1,200,846.72. This reduction was caused by the decrease of travel compared with that connected with the Centennial Exhibition for October and November, 1876, the passenger revenue for those two months having been $397,-

675.82, whilst for the corresponding months of the present year it is $205,588.42, showing a decrease of $192,087.40, being $28,129.74 more than the decrease for the year.

The coal trade of the Main Stem shows an aggregate of 1,483,076 tons, which includes 353,689 tons for the Company's supply, being an increase of 42,811 tons over the preceding year. Of this quantity, that transported for the public, delivered in Baltimore, is 1,057,675 tons, and delivered at local points upon the line 71,712 tons. The protracted depression of manufacturing and steamship interests has continued to affect injuriously the coal trade. During the fiscal year of 1878, 1,363,061 tons of coke and coal were transported on the Pittsburgh Division, and 216,998 tons of coal on the Trans-Ohio Divisions. The aggregate of coal and coke thus transported, including all divisions, was 3,063,135 tons, showing an increase for the year of 191,364 tons.

II.—Of the Washington Branch.

The financial condition of the Washington Branch is shown by the statements of the Treasurer, D, E, and F.

It will be seen by statement E that the earnings were $276,879.40, showing a decrease compared with the previous year of $30,230.15. The cause of the comparative decrease on the Washington Branch is the same as on the Main Stem, namely, the large travel of October and November, 1876, connected with the Centennial Exhibition.

The expenditures charged, according to the system explained in previous annual reports, amount to $76,850.49, being for improvements and for repairs of railway, depots, water stations, and bridges, and for pumping water.

The partial expenditures charged being deducted from the revenue stated, there remained the sum of $200,028.91, a

decrease of net earnings, compared with the preceding year, of $13,650.37.

In the last annual report, reference was made to the litigation between the State of Maryland and the Company growing out of the claim of the former for the capitation tax of 20 per cent. on the gross receipts from passengers on the Branch Road between Baltimore and Washington. This tax had been paid from the opening of the Road, to the amount of $2,903,689.75 from 1835 to 1868. Upon the decision of the Superior Court of Baltimore City, on the 10th December, 1870, which declared the tax unconstitutional, the company deducted the entire 20 per cent. from its passenger fares. Although the decision referred to was reversed by the Appellate Tribunals, yet there still remained an open question between the Company and the State, which, if settled in favor of the former, would relieve it from the payment of the tax whether constitutional or not. Under these circumstances the Company continued to give the public the advantage of the reduction in fares of 20 per cent., as adopted when the decision of the Superior Court of Baltimore City was made as to the unconstitutionality of the said tax. In the Act of 1831, ch. 330, one of those under which the Branch Road was built, the State had reserved to itself the right to incorporate another Company to build a railroad between the two cities, provided the Baltimore and Ohio Railroad Company did not complete one, with one set of tracks at least, within three years from the commencement of it. This condition having been complied with, it was maintained by the Company that thereupon the Act of 1831, ch. 330, became a contract between the State and the Company, that was violated by the incorporation of the Baltimore and Potomac Railroad Company, so far as the latter was authorized by it to construct the competing road that was afterwards built, and which was opened for the transportation of passengers

between Washington and Baltimore, July 1st, 1872. Accordingly, in an action instituted by the State to collect the capitation tax this defense was taken, and, in due course, the case was brought before the Supreme Court of the United States, on a writ of error to the Court of Appeals of Maryland, and was pending there awaiting its turn to be argued when the session of the Legislature of 1878 commenced.

Another question between the State and the Company, which was open at this time, was the claim of the latter for monies advanced to pay the interest in London on the State's Sterling bonds. Of the Company's legal right here, there was no doubt. It had been established in the Court of Appeals of Maryland, and in the Supreme Court of the United States. In its opinion, the Supreme Court of the United States said:

"On the contrary, there is much in the statutes to repel any possible implication of an engagement to indemnify, and to make it apparent that such an obligation was not intended to be imposed or assumed."

"No distinction was made between the kind of money the Company might be compelled to receive, and that required to be paid to the State. Nor was any distinction attempted to be made between the kind of money with which the dividends to the State and other stockholders could be paid."

"For these reasons, we think, the contract between the parties exhibits no just ground for an implication that the Company assumed an obligation to pay its dues to the State in gold, or in any other manner than in money generally, and the fact that the Company did pay the State's interest in sterling funds in London down to 1865, cannot change the construction of the contract.'

The Company was compelled to receive legal tender from those who used its road, *and the State could, therefore, in equity and justice, only ask "out of the profits" what the Company was obliged to take.*

But the State cannot be sued, and the Company's only reliance for payment of this just debt was upon the sense of right of the Legislature.

Nor was this all. The relations between the State and the Company were still further complicated by a claim of the former of a tax of one-half of one per cent. upon the gross earnings of the latter, which was subject to objection, as a violation of the charter exempting the Company's stock from the imposition of any tax or burden, an exemption which had, more than once, been decided by the Court of Appeals, to include the franchises and property.

It may be readily understood, therefore, that the Board of Directors looked with more than ordinary interest to the meeting of the Legislature of 1878, in the expectation that through its action all causes of difference between the State and the Company would be adjusted, all litigation cease, all future difficulty obviated, and those relations permanently established which were essential alike to the interests of the public and the stockholders.

The President and Directors had called the attention of the General Assembly of the State of Maryland, through their memorial, to remarkable facts in the history of the relations of the Company with the State, which it hoped would lead to such examination of those relations as would insure just action on the part of the Legislature. In that memorial, after giving the particulars showing the results, the following statements were embraced:

"Thus presenting all the financial transactions of the State of Maryland with the Baltimore and Ohio Railroad Company, it is shown that a clear aggregate net gain to the State, embracing every transaction connected with the Company, amounts to the vast sum of $8,577,316.88.

"And thus it is conclusively shown that instead of the Baltimore and Ohio Railroad having proven a burden and a loss to the tax payers of the State, it has directly contributed to their relief $8,577,316.88.

"The managers of the Baltimore and Ohio Company, having labored always with comprehensive views, embracing the general

good of our people, point with pride to results which they believe to be unparalleled financially by any internal improvements connected with any of our sisterhood of States, or with any government in Europe. They have labored with unswerving fidelity to build up the interest and advance the honor, the dignity and power of the State of Maryland, and the prosperity and progress of its chief commercial city. As the fate of cities and of States under modern systems of railway improvements depends upon combining such organizations as will throw, through the control and power of unit lines, into their borders, the business of other great centres and regions of trade and production, the Baltimore and Ohio Company has continuously pursued these vital objects, and its combinations now reach, under direct and closely co-operative management, the most important centres of business in the South, in the South-west, the West and the Northwest."

After the fullest investigation by the Legislature, the Board of Directors are gratified to announce that their expectation has not been disappointed—all differences between the State and the Company having been amicably, satisfactorily and finally adjusted, upon terms which are fully set forth in the Act of the General Assembly, approved on the 27th March, 1878.

In view of the importance of the adjustments thus made, and in order to furnish all particulars to the Stockholders, the Act is published in full in the Appendix attached to this report.

The Act of Assembly requiring their approval, a meeting of the Stockholders was held on the 10th of June, 1878, and the Act received the unanimous assent of all the Stockholders present at the meeting, namely, the State of Maryland, 15,186 votes; the city of Baltimore, 33,800 votes; and the private Stockholders, 63,963 votes, making a total of 112,949 shares.

Under the decision made by the Supreme Court on the 3d of May, 1875, the Company paid to the State Treasurer for the capitation tax, from January, 1868, up to January 1, 1870, the sum of $424,229.81. Under the provisions of the Act of 1878 five dividends on the Washington Branch, which, as mentioned

in the previous annual reports, were suspended during the pending litigation, have been declared, of which the State's proportion was $137,500, namely, 25 per cent. for the 30 months ended September 30, 1877. The Baltimore and Ohio Company also paid the State in cash the sum of $100,540.64, being for taxes from the 1st of April, 1872, the date of the gross receipt tax law of that session, to the 31st of December, 1877.

In section 4 of the said Act it was enacted:

"That the sum of three hundred and sixty-six thousand, three hundred and seventy dollars and fifty-six cents shall be deemed and taken to be the whole sum due by Baltimore and Ohio Railroad Company, to the State of Maryland to the first day of January, in the year eighteen hundred and seventy-eight, for the State's proportion of the whole amount of money received by the said Baltimore and Ohio Railroad Company for the transportation of passengers on its Railroad, between Baltimore and Washington, or any part of its Railroad between Baltimore and Washington, and for all dividends upon the State's stock in the Washington Branch Railroad up to October, in the year eighteen hundred and seventy-seven, after crediting to the said Baltimore and Ohio Railroad Company all claims of every description whatsoever of said Company against the said State of Maryland."

This sum was fixed on the following basis, namely:

Capitation tax from 1st January, 1870, to July 1, 1872, at which date the Baltimore and Potomac road was opened between Baltimore and Washington	$343,875 32
Capitation tax from July 1, 1872, to July 1, 1873, at which date the Baltimore and Potomac road was opened for through business between Washington, Philadelphia and the North	134,558 54
Making for capitation tax	$478,433 86
Dividends on Washington Branch, viz: 25 per cent. for the 30 months ended Sept. 30, 1877	137,500 00
Total	$615,933 86
Less allowance for the principal of the gold claim, which was due by average February 3, 1862	249,563 30
Balance as stated in said Act	$366,370 56

Under this arrangement, the capitation tax was paid from December 10th, 1870, to July 1st, 1873, during which period the deduction of the whole 20 per cent. had been made to the public. Thus the Company, having deducted 20 per cent. from its charges to the public, and paid to the State 20 per cent. also, the amount of difference was equivalent to 40 per cent. upon its gross revenue, on the basis of its former rates for passengers, during the said period.

It will be seen that under this agreement the interest due the Main Stem by the State of Maryland, amounting to $170,867.66, on the gold claim of $249,563.30, namely, for the period during which the advances were made, was abated by the Company.

The settlement was made in accordance with the terms stated, and bonds for $366,000, payable at ten years from July 1st, 1878, with interest at 6 per cent. payable semi-annually, were issued, and the said bonds now appear in the statement of the liabilities of the Baltimore and Ohio Company.

As the amount due from the State of Maryland for the gold claim had not heretofore been placed among the assets of the Company, the sum thus credited by the State of Maryland in this settlement, namely, $249,563.30, is entered as a credit to the Profit and Loss account for the fiscal year.

Under this Act, in consideration of the release of the capitation tax on the Washington Branch Road from the 1st of July, 1873, the Company agreed to modify its exemption from taxation under its original charter, so far as to submit its franchises and property and gross receipts within the State of Maryland to a tax of one-half of one per cent. per annum upon its gross receipts within the State of Maryland, the State stipulating that no further or greater State tax or burden shall ever be imposed thereon.

The final adjustment of all controversies between the Com-

pany and the State, upon terms deemed "to be just and proper as an equitable settlement," and the restoration of cordial and co-operative relations with the State of Maryland, are properly subjects of general congratulation and satisfaction.

III.—Of the Parkersburg Branch Railroad Company.

Statement G of the Treasurer shows that the earnings of this road for the fiscal year were $659,698.77, and the working expenses $473,675.57, showing net $186,023.20. The earnings were $34,020.19 more than in the previous year, whilst the expenses decreased $36,443.49, showing a net increase compared with the previous year of $70,463.68.

1,249 tons of steel and iron rails were used on this road during the year.

The aggregate earnings, working expenses, and net results of the Main Stem, including the Winchester and Potomac, Winchester and Strasburg, the Strasburg and Harrisonburg, the Metropolitan Branch, and the Washington City and Point Lookout Railroads; of the Washington Branch and the Parkersburg Branch Railroads; the Central Ohio, Lake Erie and Chicago Divisions; the Wheeling, Pittsburgh and Baltimore, and the Newark, Somerset and Straitsville Railroads, and the Pittsburgh Division for the fiscal year, and the Washington County Branch, for three months to January 1st, 1878, were, viz:

	Earnings.	Expenses.	Net Earnings.
Main Stem, including the Winchester and Potomac, Winchester and Strasburg, the Strasburg and Harrisonburg, the Metropolitan Branch Roads, and the Washington City and Point Lookout Railroad, and the Washington County Railroad for three months to January 1st, 1878	$8,563,956 85	$4,524,344 98	$4,039,611 87
Washington Branch	276,879 40	76,850 49	200,028 91
Parkersburg Branch	659,698 77	473,675 57	186,023 20
Chicago Division	1,057,558 96	628,010 57	429,548 39
Central Ohio Division	829,252 77	563,804 84	265,447 93
Lake Erie Division	657,632 04	423,404 73	234,227 31
Pittsburgh Division	1,544,021 89	958,501 57	585,520 32
Wheeling, Pittsburgh and Baltimore Railroad	40,984 25	36,162 82	4,821 43
Newark, Somerset and Straitsville Railroad	135,295 06	84,545 79	50,749 27
Working expenses, 56.44 per cent.	$13,765,279 99	$7,769,301 36	$5,995,978 63

The net revenue of the Main Stem and Branches, including the Central Ohio, Lake Erie and Chicago Divisions, the Wheeling, Pittsburgh and Baltimore, the Newark, Somerset and Straitsville Railroads, and the Pittsburgh Division, was $5,995,978.63.

The net earnings of the Parkersburg Branch Railroad Company, and of the Chicago Division, and of the Wheeling, Pittsburgh and Baltimore Railroad Company, and the excess over rental of the net earnings of the Lake Erie Division, have been credited to the accounts for interest on advances made to those Companies respectively.

It is shown that the net earnings of the Central Ohio Division were $265,447.93. Under the lease of the Central Ohio Railroad thirty-five per cent. of the gross earnings are paid annually to that Company. The working expenses, in consequence of the very low rates for transportation during a portion of this year were 67.98 per cent. The loss on this Division for the year, under the agreement, was $24,790.52, which has been charged in the Profit and Loss account. It will be seen that the net

result on this Division compared with the previous year shows an improvement of $92,455.68.

The aggregate working expenses of the Main Stem with all Branches and Divisions were 56.44 per cent. of the whole gross revenues, being 5.83 per cent. less than the preceding year.

624 miles of track of the Main Stem are now laid with steel rails. The entire increased cost of the large quantity of steel rails thus continuously substituted for iron rails has been charged to the repair account. The economy and advantage of the substitution of steel for iron rails so generally upon the line continue to be shown by the further important reduction, which is mainly due to this change, stated by the Road Department in the cost of the "Repairs of Railway," of $195,067.05.

The condition of the entire line, its roadbed, tracks and structures, has not only been fully maintained, but improved. The great regularity of its trains, and its successful working, with the absence of accidents, are noteworthy.

Of the Washington County Railroad Company.

The contract for the working of the Washington County Railroad, made on the 10th of December, 1868, for ten years from the 1st day of January, 1868, contained a provision under which the agreement could be continued for ten years on the same terms, or cease upon one year's notice prior to the expiration of the contract, namely, January 1st, 1878. As, in consequence of the competition for the business of Hagerstown and Washington County, of the Chesapeake and Ohio Canal, of the Western Maryland Railroad, and of the Cumberland Valley Railroad, it has been impossible to secure satisfactory results, the Baltimore and Ohio Company availed of the option reserved in the said agreement, and in accordance therewith, gave the proper notice to the Washington County Railroad Company that the

lease of the road would not be continued after January 1st, 1878. The Baltimore and Ohio Company continues to be interested in this road as an original subscriber, and now owns 38,464 shares of its stock, representing at par $769,280.

The earnings and working expenses for the three months, from September 30th, 1877, to January 1st, 1878, were merged, as heretofore, in the statement of the Main Stem. Since that period, namely, for the nine months ended September 30th, 1878, the gross earnings of the Washington County Railroad Company have been $25,778.01.

The Pittsburgh and Connellsville Railroad.

The earnings for the year ended September 30, 1878, were	$1,544,021 89
The working expenses for the same period, were.....	958,501 57
Being 62.07 per cent.	
And showing the net earnings for the year.....	$585,520 32

The earnings were $154,415.31 more than those of the previous year, and the expenses decreased $7,271.43, showing a net increase over the preceding year of $161,686.74. The decrease in the ratio of working expenses has been 7.43 per cent. as compared with the preceding year.

The interest on the first mortgage of the Pittsburgh and Connellsville Road is 7 per cent. on $4,000 000, namely, $280,000 After the payment of this amount from the net earnings, it will be noted that $305,520.32 have been earned, which is applicable to the interest on the Sterling Loan of the Pittsburgh and Connellsville Road. The amount of this interest, including the interest on the Sinking Fund of that Company, is $379,262.40. It will thus be seen that with this gratifying improvement, the Pittsburgh and Connellsville Company not only has earned the interest on its first mortgage bonds, but within $73,742.08 of the entire interest upon the Sterling Bonds issued by it also. The

large development of important interests upon its Road and Branches, and the heavy business of the great manufacturing and commercial centre, Pittsburgh, its present terminus, promise a continuance, not only of equal, but of steadily improving results.

BALTIMORE AND OHIO AND CHICAGO RAILROAD COMPANIES.

The earnings of these Companies, known as the Chicago Division of the Baltimore and Ohio Railroad Company, for the fiscal year were..... $1,057,558.96
And the working expenses for the same period... 628,010.57

The surplus credited to the account of this Division is..... $429,548.39
—the working expenses being 59.38 per cent.

The earnings were $99,863.36 more than in the previous year, whilst the expenses decreased $206,404.64. showing a net increase compared with the previous year of $306,268.00.

The rapid improvement of the business upon this valuable line, meets the expectations formed in regard to it, based upon its singular directness, low grades, excellent character of the country through which it passes, and the important centres of traffic which it so effectively reaches. As the interest paid upon the five per cent. sterling loan of £1,600,000 taken for account of this Company amounted during the past year, including the premium on gold, to $397,895.71, the line already shows its ability to pay from its net earnings more than the entire sum, exclusive of taxes. The taxes paid for these Companies, $52,189.98, being deducted from the earnings, $429,548.39, leave $377,358.41, which sum has been credited to the interest account of the Main Stem, in which is charged the interest and premium on gold paid for the Baltimore and Ohio and Chicago Railroad Companies' sterling five per cent. loan of 1927.

Whilst this powerful line commands a heavy trade for the Baltimore and Ohio Road and its Trans-Ohio Divisions, it adds immensely to the resources of Baltimore, and to the strength of its commercial position, and promises to realize in the future results that will fully approve the wisdom of its construction.

Improved results are shown on the following lines worked by this Company:

	Net Earnings in 1878.	Net Earnings in 1877.	Increase in 1878.
Parkersburg Branch Road.....	$186,023.20	$115,559.52	$ 70,463.68
Wheeling, Pittsburgh and Baltimore Railroad.....	4,821.43	87.73	4,733.70
Pittsburgh Division.....	585,520.32	423,833.58	161,686.74
Central Ohio Division.....	265,447.93	149,287.51	116,160.42
Straitsville Division.....	50,749.27	50,627.33	121.94
Chicago Division.....	429,548.39	123,280.39	306,268.00
	$1,522,110.54	$862,676.06	

Improvement in 1878.....$659,434.48

A decreased result is shown on the Lake Erie Division as follows:

Net earnings 1877.....	$249,556 45
" " 1878.....	234,227 31
Decrease in 1878.....	$15,329 14

The rental of the Sandusky, Mansfield and Newark road (Lake Erie Division) is $174,350 per year. The excess of net earnings over the rental is $59,877.31, which has been credited in the interest account of the Main Stem on account of advances made for the permanent improvement of that road.

The extensive and liberal arrangements heretofore made in constructing piers, docks, elevators, warehouses, and all practicable and economic facilities for the protection and promotion of the interests of steamships and sailing vessels, have attracted a great

increase of tonnage to the port of Baltimore. The vessels entered and cleared for the year ended September 30, 1878, embraced 2,315,481 tons, whilst for the same period of 1877 the tonnage was 1,734,670, showing an increase of 580,811 tons, equal to $33\frac{48}{100}$ per cent.

The Board express with pleasure their appreciation of the successful management of the business of the Company, through the faithfulness and efficiency of the officers and employees in all departments of the service.

By order of the Board,

JOHN W. GARRETT,
President.

Treasurer's Annual Statements.

A.

STATEMENT OF THE ASSETS AND LIABILITIES OF THE

ASSETS.		
Cost of Road (including construction of new Stations during the fiscal year)	$23,550,117 89	
Second, Third and Fourth Tracks	5,948,847 30	
Rolling Power	12,116,258 46	
Real Estate, (including purchase of Byrnes' Island, and property at Monocacy during the fiscal year)	2,409,079 59	
Ohio River Bridges at Benwood and Parkersburg	2,383,069 19	
Metropolitan Branch Railroad	3,751 462 67	
		$50,158,835 10
30,069 Shares of Stock Baltimore and Ohio and Chicago Railroad Companies, of which 28,900 shares have been transferred to Trustees for Sterling Loan redeemable in 1927		1,503.450 00
Bonds of the Baltimore and Ohio and Chicago Railroad Companies (gold) Transferred to Trustees for Sterling Loan redeemable in 1927		7,744,000 00
Baltimore and Ohio and Chicago Railroad Companies		3 425,852 72
Stock of the Central Ohio Railroad Company, as re-organized		424,822 88
Stock of the Pittsburgh and Connellsville Railroad Company		234,365 04
Preferred Stock of Parkersburg Branch Railroad Company		5,680.684 94
Stocks and Bonds, including those of Municipal and Railroad Corporations		5,581,940 20
Mortgage Bonds of the Marietta and Cincinnati Railroad Company, as re-organized		3,609.487 50
Stock of the Washington County Railroad Company		766,290 33
Stock and Debt of the Winchester and Strasburg Railroad Company		593,478 49
Stock of the Washington Branch		1,027,800 00
Sinking Fund for the Redemption of the Ground Rents on Camden Station		101,191 66
Stock of Valley Railroad Company of Virginia		1,020.000 00
Stock of the North German Lloyd Steamship Company		420,000 00
Stock of the Cincinnati and Baltimore Railway Company		747.350 00
Stock and Preferred Stock of Newark, Somerset and Straitsville Railroad Company		257,202 00
Sinking Fund Bonds of the Ohio and Mississippi Railway Company		40,000 00
Stock of the Mount Pleasant and Broad Ford Railway Company		138,835 00
Bonds of the Baltimore Short Line Railway Company		504,000 00
Stock of the Baltimore Short Line Railway Company		1,241,700 00
Baltimore, Washington and Alexandria Branch of the Washington City and Point Lookout Railroad		20,000 00
Outstanding Accounts and Loans, including Real Estate and Permanent Improvements on Central Ohio, Lake Erie, and Straitsville Divisions		4,245,115 45
Cash advanced to the Pittsburgh and Connellsville Railroad Company, for payment of its debt, construction and equipment		3,637,048 39
Cash advanced to the Parkersburg Branch Railroad Company		2,663,030 04
Uncollected Revenue		485,291 60
Materials on hand in the Machinery Department— Main Stem	$352,136 50	
Trans-Ohio	75,563 14	
		427,699 64
Road Department—Materials on hand—Main Stem	$80,317 48	
" " " Trans-Ohio	30,540 90	
		110,858 38
Bills Receivable		1,496,937 79
TREASURER—Balance on hand in the Treasury, after payment of $126,300.00 for interest on the Bonds of the Company, which matures October 1st, 1878		72,039 91
		$98,379,307 06

Treasury Department Baltimore and Ohio Railroad Company,

A.

BALTIMORE & OHIO RAILROAD COMPANY, SEPTEMBER 30, 1878.

LIABILITIES.		
Stock	$13,661,400 00	
Stock Scrip not funded	16,330 00	
Preferred Stock, dividends fixed and limited at six per cent	4,599,578 72	
Surplus Fund—which represents invested capital derived from net earnings, and which is not represented by either Stock or Bonds	37,111,919 29	$55,389,228 01
Loan redeemable in 1880, with Coupons payable in January and July, originally	$700,000 00	
Less payment on account	120,500 00	579,500 00
Loan redeemable in 1885, with Coupons payable in April and October, originally	$2,500,000 00	
Less payment on account	790,000 00	1,710,000 00
City Loan, originally	$5,000,000 00	
Less Sinking Fund in charge of the City of Baltimore	2,061,908 91	2,938,091 09
Sterling Loan redeemable in 1895. Coupons payable in March and September, £800,000, at $4.84 gold	$3,872,000 00	
Less for Sinking Fund, £176,508 17s. 8d. at $4.84 gold	854 303 00	3,017,697 00
Sterling Loan redeemable in 1902. Coupons payable in March and September £2,000,000, at $4.84 gold	$9,680,000 00	
Less for Sinking Fund, £205,849 18s. 7d. at $4.84 gold	996,313 65	8,683,686 35
Sterling Loan redeemable in 1910. Coupons payable in May and November, £2,000,000, at $4.84 gold	$9,680,000 00	
Less for Sinking Fund, £92,491 6s. 10d. at $4.84 gold	447,658 10	9,232,341 90
Sterling Five Per Cent. Loan, redeemable in 1927. Coupons payable in June and December. For account of Baltimore and Ohio and Chicago Railroad Companies—£1,600,000 at $4.84 gold	$7,744,000 00	
Less for Sinking Fund, £8,464, at $4.84 gold	40,965 76	7,703,034 24
Bond for purchase of the Interest of the City of Baltimore in the Pittsburgh and Connellsville Railroad Company	$1,000,000 00	
Less three Annual Payments on account, of $40,000 each	120,000 00	880,000 00
Sterling Debentures due in 1880 and 1881, £500,000, at $4.84 gold		2,420,000 00
Bills Payable		2,563,302 29
Bonds to State of Maryland due July 1, 1888. Coupons January and July, in settlement under Act of 1878, chapter 155, section 4		366,000 00
Loans and Sterling obligations		2,554,959 33
Bonds of the Northwestern Virginia Railroad Company, guaranteed by the Baltimore and Ohio Railroad Company, of which the payment, principal and interest, has been assumed by the Baltimore and Ohio Railroad Company under contract of July 18th, 1864, viz:		
Third Mortgage Endorsed Bonds, originally $500,000, reduced to		140,000 00
Unclaimed Dues		87,134 89
Washington Branch Road		114,331 96
		$98,379,307 06

SEPTEMBER 30TH, 1878. W. H. IJAMS, TREASURER.

B.

STATEMENT OF THE EARNINGS AND WORKING EXPENSES

Of the BALTIMORE AND OHIO RAILROAD COMPANY, *including the Winchester and Potomac, Winchester and Strasburg, the Strasburg and Harrisonburg, the Metropolitan Branch and the Washington City and Point Lookout Railroads, for the fiscal year ended September 30th*, 1878, *and the Washington County Railroad for three months to January 1st*, 1878.

Earnings of the Main Stem, including the Winchester and Potomac, the Winchester and Strasburg, the Strasburg and Harrisonburg, the Metropolitan Branch and the Washington City and Point Lookout Railroads, and of the Washington County Railroad for three months to January 1st, 1878		$3,563,956 85
EXPENSES.		
Expenses of Transportation	$1,672,086 17	
General Expenses	118,379 00	
Losses by Accidents, &c	87,860 36	
Repairs of Railway	613,302 16	
Repairs of Locomotives	459,640 41	
Repairs of Burden Cars	626,919 86	
Repairs of Passenger Cars	198,119 58	
Repairs of Stationary Machinery	80,199 17	
Repairs of Depots	73,522 78	
Repairs of Water Stations	11,087 27	
Repairs of Bridges	84,540 01	
Repairs of Telegraph	19,004 34	
Fuel	275,306 01	
Contingent Expenses of Machinery Department	4,688 69	
Cleaning Engines and Cars	80,893 90	
Preparing Fuel and Filling Tenders	23,335 72	
Pumping Water	25,299 49	
Watching Cuts	43,672 68	
Watching Tunnels	3,947 12	
Watching Bridges	22,531 26	
		4,524,344 98
		$4,039,611 87

Working Expenses, 52.83 per cent.

Treasury Department, Baltimore and Ohio Railroad Company,
SEPTEMBER 30th, 1878.

W. H. IJAMS, TREASURER.

C.

DR. *Main Stem Statement of* PROFIT AND LOSS, *for the fiscal year ended September 30th*, 1878. CR.

1877. Nov. 15.	To Cash Dividend of three per cent. upon the Capital Stock..	$394,326 00	1877. Oct. 1.	By Balance at the credit of this account	$36,139,312 56
1878. May 15.	" Stock Dividend of four per cent. upon the Capital Stock	525,768 00	1878. June 24.	" Dividend of 25 per cent. for the 30 months ended September 30th, 1877, upon 10 278 shares of Washington Branch Stock, owned by the Main Stem	256,950 00
Sept. 30.	" Interest and Taxes including Interest on Sterling Loan of 1927 issued for account of Baltimore and Ohio and Chicago Railroad Companies, and Taxes paid the State of West Virginia, and to the State of Maryland in settlement under Act of 1878, chapter 155, section 3..$3,473,463 55		"	" Gold Claim received from State of Maryland in settlement under Act of 1878, chapter 155, section 4	249,563 30
			Sept. 30.	" Increment from the City Loan Sinking Fund, being net amount gained during the year	103,487 91
"	Less Receipts of Interest, including the Net Earnings of the Baltimore and Ohio and Chicago Railroad Companies 964,890 48		"	" House Rents received during the twelve months	13,872 02
			"	" Earnings for the twelve months ended this day..... $8,563,956 85	
			"	" Less expenses for the same period 4,524,344 98	4,039,611 87
		2,508.573 07			
"	To Ground Rents	50,461 38			
"	" Rent of Winchester and Potomac Railroad.	27,000 00			
"	" Rent of Wash ngton County Railroad six months to January 1, 1878	29,480 40			
"	" Rent of Winchester and Strasburg Railroad	5,229 00			
"	" Rent of Strasburg and Harrisonburg Railroad, viz: $89,250 Gold	89,250 00			
"	" Rent of Washington City and Point Lookout Railroad, $36,000 gold	36,000 00			
"	" Central Ohio Division	24,790 52			
"	" Balance carried down	37,111,919 29			
		$40,802,797 66			$40,802,797 66
			1878. October 1.	By Balance brought down	$37,111,919 29

Showing the increase of the Surplus Fund, during the fiscal year, $972,606 73

Treasury Department, Baltimore and Ohio Railroad Company, SEPTEMBER 30TH, 1878.

W. H. IJAMS, TREASURER.

D.

STATEMENT OF THE ASSETS AND LIABILITIES

Of the WASHINGTON BRANCH ROAD, *September 30th*, 1878.

ASSETS.

Road from Washington Junction to Washington City, with Real Estate, &c.	$1,650,000 00
Amount due by the Baltimore and Ohio Railroad Company	114,331 96
	$1,764,331 96

LIABILITIES.

Stock	$1,650,000 00
Annuity (Principal)	20,000 00
Profit and Loss	94,331 96
	$1,764,331 96

Treasury Department, Baltimore and Ohio Railroad Company,
SEPTEMBER 30TH, 1878.

W. H. IJAMS, TREASURER.

E.

STATEMENT OF THE EARNINGS OF THE WASHINGTON BRANCH ROAD, AND EXPENDITURES OF THE ROAD DEPARTMENT, *for the Fiscal Year ended September 30th*, 1878.

Earnings		$276,879 40
EXPENDITURES OF THE ROAD DEPARTMENT.		
Repairs of Railway	$58,964 71	
Repairs of Depots	11,813 48	
Repairs of Water Stations	198 64	
Pumping Water	4,789 80	
Repairs of Bridges	1,083 86	
		76,850 49
		$200,028 91

Treasury Department, Baltimore and Ohio Railroad Company,
SEPTEMBER 30TH, 1878.

W. H. IJAMS, TREASURER.

F.

DR. *Washington Branch Road*, PROFIT AND LOSS ACCOUNT *for the fiscal year ended September 30th*, 1878. CR.

1878.			1877.		
June 24.	To dividend of 25 per cent. for the five half years ended September 30th, 1877.....	$412,500 00	Oct. 1.	By Balance at the credit of this account this day.....	$823,748 47
"	" Amount paid the State of Maryland for Capitation Tax in settlement, under Act of 1878, chapter 155, section 4.....	478,433 86	1878. Sept. 30.	" Earnings for the fiscal year ended Sept. 30th, 1878.....$276,879 46 Less Expenditures of Road Department... 76,850 49	200,028 91
Sept. 30.	" Tax on gross receipts, one-half of one per cent. to Dec. 31st, 1877, and other taxes.....	12,059 91			
	" Payment on account of Annuity.	1,000 00			
	" Legal Expenses in Capitation Tax case, from 1867 to 1878, inclusive.	25,451 65			
	" Balance carried down..... ...	94,331 96			
		$1,023,777 38			$1,023,777 38
			1878. Oct. 1.	By Balance brought down.....	$94,331 96

Treasury Department, Baltimore and Ohio Railroad Company,
SEPTEMBER 30th, 1878,

W. H. IJAMS, TREASURER.

G.

STATEMENT OF THE EARNINGS AND WORKING EXPENSES

Of the PARKERSBURG BRANCH RAILROAD, *for the Fiscal Year ended September 30th*, 1878.

Earnings		$659,698 77
EXPENSES.		
Expenses of Transportation	$155,359 25	
Fuel	21,039 78	
Repairs and use of Locomotives	34,707 67	
Repairs and use of Burden Cars	43,173 90	
Repairs and use of Passenger Cars	5,274 63	
Repairs of Stationary Machinery	3,245 01	
Repairs of Depots	6,496 40	
Contingent Expenses of the Machinery Department	72 85	
Cleaning Engines and Cars	5,973 29	
Preparing Fuel and Filling Tenders	1,431 77	
Repairs of Railway	142,753 62	
Repairs of Water Stations	806 41	
Repairs of Bridges	11,873 94	
Repairs of Telegraph	1,153 01	
Pumping Water	3,150 34	
General Expenses	1,671 12	
Taxes	29,323 20	
Losses by Accidents, &c	6,169 38	
		473,675 57
		$186,023 20

Working Expenses, 71.80 per cent.

Treasury Department, Baltimore and Ohio Railroad Company,
SEPTEMBER 30TH, 1878.

W. H. IJAMS, TREASURER.

Transportation Department Report.

OFFICE OF THE MASTER OF TRANSPORTATION,

BALTIMORE AND OHIO RAILROAD COMPANY,

Baltimore, 1st October, 1878.

JOHN W. GARRETT, Esq.,

President:

Sir—The following is a statement of the operations of this Department for the fiscal year ended 30th September, 1878.

THE REVENUES.

The usual statements, with the comparisons and summaries, are herewith presented:

A.

STATEMENT OF REVENUE

Earned on the MAIN STEM *of the Baltimore and Ohio Railroad, including the* WINCHESTER AND POTOMAC, WINCHESTER AND STRASBURG, *the* STRASBURG AND HARRISONBURG, *the* METROPOLITAN BRANCH *and the* WASHINGTON CITY AND POINT LOOKOUT RAILROADS, *from October 1st, 1877, to September 30th, 1878, and the* WASHINGTON COUNTY RAILROAD *for three months to January 1st, 1878.*

MONTHS.	Revenue from Passengers.	Revenue from Tonnage.	Total Revenue.
October.....1877.....	$118,714 95	$704,548 67	$823,263 62
November... "	86,873 47	504,644 81	591,518 28
December... "	91,378 71	636,764 03	728,142 74
January.....1878.....	80,635 32	545,879 08	626,514 40
February.... "	74,780 52	462,451 98	537,232 50
March..... "	86,505 38	612,394 31	698,899 69
April..... "	95,588 12	608,454 01	704,042 13
May..... "	95,947 88	632,297 58	728,245 46
June..... "	99,688 83	470,395 86	570,084 69
July..... "	116,937 22	559,361 14	676,298 36
August..... "	137,957 13	806,321 47	944,278 60
September... "	115,839 19	819,597 19	935,436 38
Totals.....	$1,200,846 72	$7,363,110 13	$8,563,956 85

B.

STATEMENT OF REVENUE

Earned on the WASHINGTON BRANCH *of the Baltimore and Ohio Railroad, From October 1st, 1877, to September 30th, 1878.*

MONTHS.	Revenue from Passengers.	Revenue from Tonnage.	Total Revenue.
October.....1877.....	$21,540 14	$6,258 48	$27,798 62
November.... "	16,837 72	4,088 89	20,926 61
December... "	17,888 19	4,184 48	22,072 67
January.....1878.....	16,461 99	3,160 45	19,622 44
February.... "	15,516 63	2,777 81	18,294 44
March..... "	17,989 99	3,969 81	21,959 80
April..... "	17,961 59	4,481 10	22,442 69
May..... "	18,478 48	4,918 06	23,396 54
June..... "	17,679 10	4,283 06	21,962 16
July..... "	18,442 49	4,816 76	23,259 25
August..... "	19,782 86	7,044 87	26,827 73
September... "	19,216 79	9,099 66	28,316 45
Totals.....	$217,795 97	$59,083 43	$276,879 40

C.

STATEMENT OF REVENUE

Earned on the PARKERSBURG BRANCH *of the Baltimore and Ohio Railroad, From October 1st, 1877, to September 30th, 1878.*

MONTHS.	Revenue from Passengers.	Revenue from Tonnage.	Total Revenue.
October.....1877.....	$14,370 32	$47,916 94	$62,287 26
November... "	11,219 27	40,454 82	51,674 09
December.... "	11,222 41	52,630 61	63,853 02
January.....1878	10,634 18	44,317 29	54,951 47
February.... "	9,578 04	36,909 18	46,487 22
March..... "	11,186 54	44,773 11	55,959 65
April..... "	10,914 61	35,871 14	46,785 75
May..... "	11,136 45	37,527 89	48,664 34
June..... "	11,288 79	26,481 58	37,770 37
July..... "	9,693 20	44,191 28	53,884 48
August..... "	11,686 88	55,725 61	67,412 49
September... "	12,790 11	57,178 52	69,968 63
Totals.....	$135,720 80	$523,977 97	$659,698 77

D.

SUMMARY OF REVENUE FOR THE ENTIRE ROAD FOR 1878,

Compared with the Revenue for the fiscal year ended September 30th, 1877.

MAIN STEM,

Including the WINCHESTER AND POTOMAC, WINCHESTER AND STRASBURG, *the* STRASBURG AND HARRISONBURG, *the* METROPOLITAN BRANCH *and the* WASHINGTON CITY AND POINT LOOKOUT RAILROADS, *and the* WASHINGTON COUNTY RAILROAD *for three months to January 1st*, 1878.

Date.	Passengers.	Tonnage.	Total.
For 1878	$1,200,846 72	$7,363,110 13	$8,563,956 85
For 1877	1,364,804 38	6,897,240 91	8,262,045 29
Increase		$465,869 22	$301,911 56
Decrease	$163,957 66		

PARKERSBURG BRANCH RAILROAD.

Date.	Passengers.	Tonnage.	Total.
For 1878	$135,720 80	$523,977 97	$659,698 77
For 1877	146,206 86	479,471 72	625,678 58
Increase		$44,506 25	$34,020 19
Decrease	$10,486 06		

WASHINGTON BRANCH RAILROAD.

Date.	Passengers.	Tonnage.	Total.
For 1878	$217,795 97	$59,083 43	$276,879 40
For 1877	245,719 58	61,389 97	307,109 55
Decrease	$27,923 61	$2,306 54	$30,230 15

	Passengers.	Tonnage.	Total.
1878.			
Main Stem	$1,200,846 72	$7,363,110 13	$8,563,956 85
Parkersburg Branch	135,720 80	523,977 97	659,698 77
Washington Branch	217,795 97	59,083 43	276,879 40
Totals	$1,554,363 49	$7,946,171 53	$9,500,535 02

1877.			
Main Stem	$1,364,804 38	$6,897,240 91	$8,262,045 29
Parkersburg Branch	146,206 86	479,471 72	625,678 58
Washington Branch	245,719 58	61,389 97	307,109 55
Totals	$1,756,730 82	$7,438,102 60	$9,194,833 42
Increase		$508,068 93	$305,701 60
Decrease	$202,367 33		

OPERATIONS OF THE MAIN STEM.

PASSENGER TRANSPORTATION.

It is shown by Table "D" that the receipts from passengers for 1877 were $1,364,804.38 and for 1878, $1,200,846.72, exhibiting a decrease of $163,957.66.

TONNAGE TRANSPORTATION.

The receipts from tonnage transported on the Main Stem in 1877, as shown by Table D, were $6,897,240.91, and in 1878, $7,363,110.13, exhibiting an increase of $465,869.22.

E.

Total number of tons THROUGH MERCHANDISE, East and West, for the fiscal year ended September 30th, 1878	1,149,499 tons
The same for fiscal year ended September 30th, 1877	1,047,645 tons
Increase	101,854 tons.

COMPARATIVE STATEMENT OF GRAIN &c., *received at Baltimore during the fiscal years ended September 30th, 1877 and 1878.*

	1877.	1878.
Corn, bushels	13,290,714	10,164,285
Wheat, "	2,500,600	9,365,233
Barley, "	55,021	67,574
Rye, "	37,214	27,500
Oats, "	496,312	1,015,062
Total bushels	16,379,861	20,639,654
Total 1877		16,379,861
Increase		4,259,793

Flour brought to Baltimore	778,211 bbls.
In 1877	641,702 "
Increase	136,509 bbls.
Live Stock brought to Baltimore	132,462 tons.
In 1877	111,920 "
Increase	20,542 tons.
Lumber brought to Baltimore	41,270 tons.
In 1877	53,720 "
Decrease	12,450 tons.

COAL TRADE.

Coal transported on the Main Stem, inclusive of the Company's supply	1,483,076 tons.
Deduct delivered at various points for the Company's supply	353,689 "
Leaving amount transported for the public	1,129,387 tons.

Date.	Delivered at Locust Point.	Delivered at places in Baltimore.	Delivered at Way Stations.	Total.
In 1878	1,015,546 tons.	42,129 tons.	71,712 tons.	1,129,387 tons.
In 1877	953,260 "	41,872 "	74,294 "	1,069,426 "
Decrease			2,582 tons.	
Increase	62,286 tons.	257 tons.		59,961 tons.

COAL AND COKE.

Total Coal transported on the Main Stem and Branches	1,483,076 tons.
Pittsburgh Division	1,363,061 "
Trans-Ohio Divisions	216,998 "
Total—Coal and Coke transported	3,063,135 tons.

STATEMENT *showing the* EXPENSES OF TRANSPORTATION *on the* MAIN STEM, *for the Fiscal Year ended September 30th*, 1878, *as compared with the same items for the Fiscal Year*, 1877.

	1877.	1878.
Agents and Clerks	$190,966 45	$206,625 06
Pass'ger Cond'rs, Baggage Mast'rs and B'kemen.	81,577 20	66,331 31
Tonnage Conductors and Brakemen	263,142 52	256,793 58
Tonnage Enginemen	219,099 30	209,681 09
Tonnage Firemen	103,509 48	99,757 31
Passenger Enginemen	67,701 22	57,777 05
Passenger Firemen	32,797 68	27,465 68
Tonnage Teamsters	6,825 82	4,007 32
Passenger Teamsters	4,557 30	3,651 35
Depot Laborers, handling cars and freight	242,045 09	253,113 92
Maintenance and Renewal of Stock and Harness.	9,806 60	6,681 39
Oil	85,701 61	81,263 65
Tallow	15,728 59	15,817 30
Waste	21,729 95	17,474 57
Stationery, Printing and Advertising	63,469 07	48,644 36
Gas and Candles	14,557 62	8,421 64
Miscellaneous and Contingent, including Expenses of Locust Point Elevators and Baltimore and Ohio Express	106,454 37	170,849 27
Eastern and Western Agencies	88,250 23	91,695 85
Telegraph Operators	50,827 36	46,034 47
Totals	$1,668,747 46	$1,672,086 17

STATEMENT *showing the* EXPENSES OF TRANSPORTATION *on the* PARKERSBURG BRANCH *for the Fiscal Year ended September 30th*, 1878, *as compared with the same items for the year* 1877.

	1877.	1878.
Agents and Clerks	$18,687 59	$21,922 57
Tonnage Conductors and Brakemen	29,021 98	25,354 89
Pass'ger Cond'rs, Baggage Mast'rs and B'kemen.	8,651 62	6,308 70
Tonnage Enginemen	27,731 47	24,566 18
Passenger Enginemen	7,860 35	6,671 15
Tonnage Firemen	11,374 35	9,737 97
Passenger Firemen	3,944 80	3,352 88
Depot Laborers	30,932 00	23,295 95
Oil	10,620 77	8,792 56
Tallow	1,219 01	1,451 66
Waste	1,875 52	1,322 58
Stationery, Printing and Advertising	2,297 45	1,702 60
Miscellaneous and Contingent, including Gas, Candles and Express Expenses	4,284 44	8,606 49
Eastern and Western Agencies	3,694 73	4,986 86
Telegraph Operators	8,518 64	7,286 21
Totals	$170,714 72	$155,359 25

All of which is respectfully submitted,

WM. M. CLEMENTS,
Master of Transportation.

Road Department Report,

EAST OF CUMBERLAND.

OFFICE OF MASTER OF ROAD, EAST OF CUMBERLAND,

BALTIMORE AND OHIO RAILROAD COMPANY,

Baltimore, October 1st, 1878.

JOHN W. GARRETT, ESQ, *President:*

SIR:—The following report of the operations of the Road Department, east of Cumberland, during the fiscal year ended 30th September, 1878, is respectfully presented:

REPAIRS OF RAILWAY.

This department expended $410,694.58 for repairs of railway, embracing the maintenance of the road, renewal of ballast, and all labor and materials used in the repairs of track. This amount compared with that of the fiscal year 1877, shows a decrease of $95,742.50.

MAINTENANCE OF ROAD,

Consisting of surfacing, ditching and maintaining original width of roadbed, and removing slips, cost $19,962.65.

RENEWAL OF BALLAST.

On this account there were expended $9,508.41.

LABOR AND MATERIALS FOR REPAIRS.

The amount expended in repairs for labor and materials—

For labor	$224,658 64
" materials	156,564 88
Total	$381,223 52

Which shows a decrease of $90,953.97 when compared with the same account for the fiscal year 1877.

RECAPITULATION.

Maintenance of Road	$ 19,962 65
Renewal of Ballast	9,508 41
Labor and Materials for Repairs	381,223 52
Total	$410,694 58

The quantity of new steel and iron rails used in repairs during the fiscal year was 692 tons; number of cross ties 250,514.

Cost of Watching Cuts	$18,824 93
" " Tunnels	2,054 62

MAINTENANCE OF BRIDGES.

Repairs and Rebuilding.—There was expended on this account—

For labor	$41,185 32
" materials	36,746 04
Total	$77,931 36

The details of which are as follows:

Renewed Elysville east and west bridges, viz: east, 4 spans 120 feet each, new wrought iron rail joists, 150 lbs. per yard, and new guard rails; west, 2 spans 160 feet each, with wrought iron rail joists, 150 lbs. per yard, and new guard rails. Reese's trestling has been renewed, 666 feet new rail joists put under north track and 86 feet under south track. Put two 18-feet box beams and new ties on Myer's Culvert. Renewed one span of West Bush Creek bridge with new rail joists, ties and guard rails. Rebuilt Burgee's County road bridge, one span 52 feet. Renewed 1,000 feet south track of Harper's Ferry trestling with new rail joists and ties. Replaced and repaired all diagonal rods, struts, hoods and beams in Harper's Ferry bridge, broken by the flood. Repaired retaining wall east pier of Harper's Ferry bridge, with 79 cubic yards of stone wall, and east abutment of same with 10 cubic yards first-class masonry. Renewed rail joists and ties on all culverts on 5th subdivision. Rebuilt Priestly's arch with 497 cubic yards of first-class stone masonry, and 36 cubic yards of brick. Renewed and adjusted north and south tracks of Back Creek bridge, and put on new iron guard rails. New ties have been placed on north and south tracks of Burke Street bridge, Martinsburg. Strengthened, adjusted and replaced tracks on the following bridges, which were displaced by the flood of November, 1877: Sleepy Creek, Great Cacapon and Little Cacapon; also strengthened North Branch canal span with additional suspension bolts, links and pins. Rebuilt east abutment of South Branch bridge, containing 1,812 cubic yards of first-class masonry, and rebuilt east span of 130

feet 8 inch double track Bollman bridge with wrought iron rail joists, 150 lbs. per yard, which was displaced by freshet of November, 1877. Renewed Everett's Creek bridge with new rail joists, ties and guard rails; also strengthened bridge by trestling.

Cost of Watching Bridges.....$20,950 66

MAINTENANCE OF DEPOTS AND BUILDINGS.

The expenditure on this account was $61,967.62.

On passenger platform, Camden Station, near Lee Street, a dispatcher's office, 10 by 32 feet, 11 feet high, has been built, and shed and platform renewed, 80 by 103 feet. At Mt. Clare coal dump has been repaired and 930 feet rail joists renewed. Between Red Cut and Carrsville a fence 2,280 feet long has been built; also at Mt. Winans a fence 1,640 feet, and at Blue Bridge 96 feet locust posts, 5 rails high. At St Denis, a fence 1,100 feet long, 3 rails high, has been built. At Relay Station, a green-house, in connection with the gardens at Viaduct Hotel, 17 by 60 feet, 4 feet 6 inches high on front and 12 feet 8 inches high on back, covered with glass, has been built. At Paw Paw a blacksmith shop 12 by 12 feet, 7 feet high, has been built; also at Sir John's Run a blacksmith shop 17 by 22 feet, 8 feet high, covered with metal, has been built. At Sandy Hook pit in engine house extended 16 feet. Byrnes' Island in the Potomac River, near Harper's Ferry, beautifully situated, amidst most interesting scenery, and admirably adapted for fishing and pleasure excursions, having been purchased by the Company, the following improvements have been made, viz: A substantial foot bridge, 4 feet wide and 360 feet long, from the railroad to the island; a house for shelter, 20 by 40 feet, with roof, back and ends weather-boarded; 800 lineal feet of benches, and a dancing platform 40 feet square. Built new stock pen at Cherry Run. Built transfer coal dumps at Cumberland, 150 feet in length and 7 feet high; also at Martinsburg, 30 feet in length and 15 feet high. Between Baltimore and Cumberland 3,865 feet of platforms have been built.

MAINTENANCE OF WATER STATIONS.

The expenditure on this account has been $8,151.65.

At Locust Point, a new boiler house 10 by 11 feet, 15 feet high, and

coal house 10 by 11 feet, 5 feet 6 inches high, have been built. At Riverside a coal house 24 by 33 feet has been built At Chase's Station 230 feet 1½-inch wrought iron pipe were laid. At Camden Station 100 feet of 3-inch cast iron pipe were laid. At Woodstock, a new tub, 20 feet in diameter and 12 feet high, trestles 10 feet high, 22 feet long, built on stone foundation, 11 yards first-class masonry, 200 feet of 3-inch and 50 feet of 6-inch cast iron pipe were laid. At Martinsburg a new cupola on reservoir, 6 feet 6 inches by 6 feet 6 inches, has been built; and 132 feet of 8-inch and 60 feet of 3-inch pipe were laid.

Cost of Pumping Water.....$16,444 47

MAGNETIC TELEGRAPH.

The expenditure on this account was $14,854.54.

Two loops extending from Camden Station to Express office, Howard street, and from Baltimore street ticket office to Baltimore street Express office, and on Canton wires to Fell street Express office, have been erected. Erected new wires for Telephone, between Riverside and Locust Point piers; between Martinsburg and Dry Run, and between dispatcher's office Camden and Bailey's.

In November last a severe storm prevailed along the line of second division, destroying between Martinsburg and South Branch, 27 miles of poles and line of five wires, making 135 miles in all, four wires of which were constructed, using 54 miles of old wire and 54 miles of new wire, 970 new poles, 1,940 cross arms, 3,880 pins, 1,500 brackets, 5,000 insulators, 1,800 bolts and washers and 274 lbs. spikes.

There were used in general repairs 1 mile of wire, 832 poles, 663 cross arms, 346 insulators, 1,332 screw pins and 100 brackets.

WINCHESTER AND POTOMAC, AND WINCHESTER AND STRASBURG ROADS.

Between Harper's Ferry and Strasburg $2\frac{4581}{5280}$ miles have been laid with iron rails and 25,062 cross ties have been used.

The high water in November last carried away Hall's, Shenandoah City and Overton bridges. Temporary trestlings were built as follows: Hall's bridge 90 feet, Shenandoah City 170 feet, and Overton's, 2 spans, 156 feet. Rebuilt Hall's bridge, 1 span, 65 feet, Bollman wood and

iron; 15 yards first-class masonry. Rebuilt Shenandoah City bridge, 2 spans, 88 feet each. Rebuilt Overton's bridge, 2 spans, 78 feet each. Strider's Island bridge renewed with new beams and lower diagonal braces, 1 span, 93 feet. At Winchester rebuilt trestling 1,150 feet, and repaired retaining wall in yard 53½ yards. Retrestled Wernwag's bridge 60 feet. Rebuilt platforms at Wadesville 90 feet. Built new stock pens and shutes at Stephenson's depot. Renewed 28 small bridges on line of road. A new siding has been put in Strasburg Depot 294 feet, also at Kernstown 360 feet. Built new pier for Newtown bridge, 54 cubic yards first-class masonry; took down composite truss bridge and put in wrought iron I beams, new ties and guard rails, 2 spans, 27 feet each. Built new pier for Kernstown bridge, 54 cubic yards first-class masonry; took down composite truss bridge, put in wrought iron I beams, new ties and guard rails, 2 spans, 27 feet each. Renewed suspension bolts and links in Cedar Creek bridge, 3 spans, 250 feet. Took down wood bridge at Stickley's and replaced it with wrought iron I beams, put in new ties and guard rails, 2 spans, 27 feet each. Rebuilt three truss bridges, 25-feet span each. At Kernstown built freight and passenger platform 60 feet, and at Capon Road 250 feet. At Strasburg a new freight and passenger depot has been built, one-story, frame structure, with metal roof, the freight house 20 by 25 feet, 12 feet 6 inches high, and the passenger house 15 by 23 feet, 12 feet 6 inches high.

STRASBURG AND HARRISONBURG ROAD.

Between Strasburg and Harrisonburg 13,742 cross ties have been used, and the track fully maintained. Additional splice castings and rods have been put in the following bridges: Tom's Brook, Pugh's Run, Edinburg, Mt. Jackson and Hollman's. Built footway over Narrow Passage bridge, 454 feet in length. Extended warehouse at New Market 25 feet. On line of road between Strasburg and Harrisonburg 175 feet of platforms have been built. All necessary repairs have been made.

WASHINGTON COUNTY ROAD.

7,352 cross ties were used in repairs. Rebuilt county road bridges at Keedysville and Lynn's Road. Renewed trestling No. 3 bridge and

Eakle's quarry; built 9 yards retaining wall at Eakle's Mill. New joists, floor and pit have been put in engine house at Hagerstown. Rebuilt 200 feet platform at Eakle's Mill and 150 feet at Rohrersville.

METROPOLITAN ROAD.

47 tons of new rails and 10,993 cross ties have been used. Renewed Big Seneca trestling, with new sills, caps, stringers, iron and yellow pine guard rails, 310 feet. Renewed Little Seneca trestling, with additional braces, trestle, stringers and new ties, sloped east bank 35 by 112 feet, riprapped with stone. Little Monocacy trestling adjusted, and four new trestles put in, built crib dam above and below for protection against water. Raised all county road bridges on line of road to 18 feet above rail. At Tuscarora a freight warehouse 20 by 40 feet, 13 feet 6 inches high, has been built. At Germantown a new freight house 24 by 60 feet, 13 feet 6 inches high, has been built, also a new passenger house 14 by 20 feet, 10 feet 6 inches high.

WASHINGTON CITY AND POINT LOOKOUT BRANCH.

2,146 new cross ties have been used to replace defective ones. All bridges have been kept in thorough repair on this branch.

WASHINGTON BRANCH ROAD.

Repairs of Railway.—The expenditure on this account was $58,964.71, of which $3,654.13 was for ditching and maintaining road-bed. There were used in track 71 tons of steel rails and 52,171 cross ties. The siding in Washington yard has been extended 794 feet.

Repairs of Water Stations.—The expenditure on this account was $198.64.

Cost of Pumping Water.....$4,789 80

Repairs of Depots and Buildings.—The expenditure on this account was $11,813.48. At Washington coal dumps, 150 feet long, enclosed by a fence 8 feet high and 460 feet in length, have been built. At Annapolis Junction—Irving Park—a refreshment house 24 by 48 feet, with kitchen in rear 10 by 15 feet, 11 feet 4 inches high, has been built. The Park is enclosed by a picket fence 8 feet high, also a fence on the outside between county road and track, 4½ feet high, 500 feet long.

Between Washington and Relay Station, 5,471 feet of platforms have been built.

At Queen's Farm stock yards, four new pens, 32 by 96 feet, and one 32 by 58 feet, one scale house 24 by 24 feet, 8 feet high, frame structure, with slate roof, and one tub 16 feet in diameter, 12 feet high have been built, and 1,329 feet of 1½ inches, 114 feet of 1 inch, and 60 feet of 2 inches wrought iron pipe were laid.

Repairs of Bridges.—The expenditure on this account was $1,083.86. All bridges have been kept in good repair on this division.

MAIN STEM.

There have been laid during the fiscal year 1,108 feet of siding between Locust Point and Cumberland.

At Locust Point a new salt warehouse 104 by 30 feet, one story, 15 feet high, with metal roof, has been built.

At Green Spring Run a new freight and passenger depot, 27 by 37½ feet, one story, 13 feet high, covered with metal, has been built.

Respectfully submitted,

JOHN L. WILSON,

Master of Road East of Cumberland.

Road Department Report,

WEST OF CUMBERLAND.

OFFICE OF MASTER OF ROAD WEST OF CUMBERLAND,

BALTIMORE AND OHIO RAILROAD COMPANY,

Grafton, W. Va., October 1st, 1878.

JOHN W. GARRETT, ESQ., *President:*

SIR:—The following report of the operations of the Road Department west of Cumberland for the fiscal year ended 30th September, 1878, is respectfully presented:

REPAIRS OF RAILWAY.

This department expended $202,607.58 for repairs of railway, embracing the maintenance of the road, renewal of ballast, and all labor and materials used in the repairs of track. This amount compared with that of the fiscal year 1877, shows a decrease of $99.324.55.

MAINTENANCE OF ROAD,

Consisting of surfacing, ditching, maintaining original width of road-bed and removing slips, cost $11,490.92.

RENEWAL OF BALLAST.

On this account there were expended $3,446.40.

LABOR AND MATERIALS FOR REPAIRS.

The amount expended in repairs for labor and materials was—

For labor	$128,801 87
" materials	58,868 39
Total	$187,670 26

Which shows a decrease of $94.940.50, when compared with the same account for the fiscal year 1877.

RECAPITULATION.

Maintenance of Road	$ 11,490 92
Renewal of Ballast	3,446 40
Labor and Materials for Repairs	187,670 26
Total	$202,607 58

The quantity of new steel and iron rails used in repairs during the fiscal year was 2,110 tons, and number of cross ties 122,120.

Cost of Watching Cuts	$24,847 75
" " " Tunnels	1,892 50

MAINTENANCE OF BRIDGES.

Repairs and Rebuilding.—There were expended on this account—

For labor	$3,819 50
" materials	2,789 15
Total	$6,608 65

The details of which are as follows:

The following bridges on line of road have been repaired and adjusted: Monongahela River, Buffalo Creek No. 3, Piles Fork Nos. 1, 2, 3, 6 and 7, Churches' Fork Nos. 2, 3, 5 and 6, and Graves' Creek Nos. 2, 5, 7 and 8. A trestling, 120 feet long has been built at washout on 39th section. Stone arch at 40 cut. 217½ yards of paving have been laid, and four side protection walls containing 30 yards of masonry have been built. At Grafton, twelve new trestles, 22 feet high, have been put up at east end of car shop to connect track in same. Three Fork bridge, 2 spans 54 feet each, 1 span 25 feet. Fink undergrade bridge has been renewed. Piles Fork No. 4, 1 span 86 feet long has been rebuilt, and new ties and hoods put on. Churches' Fork No. 7, new bearing timbers and anchor rods have been put in. Little Graves' Creek bridge, Howe truss, 131 feet span, has been renewed and raised 2 feet. Hogan's Run bridge, new cast-iron girders have been put in and ties renewed.

Cost of Watching Bridges	$1,580 60

MAINTENANCE OF DEPOTS AND BUILDINGS.

The expenditure on this account was $11,555.16.

At Piedmont, passenger platform 350 feet long has been renewed. Old coal shutes changed into dumps 238 feet long—22 shutes; platform 474 feet long has been built.

Hotel at Oakland repaired and sewer put in.

Machine shop at Grafton has been repaired and foundation built under a portion of machinery; also a sewer 300 feet long has been laid in yard; a new boiler house has been built of brick, with stone foundation;

also foundation for engine containing 131 yards of first-class masonry. At Farmington, a platform 217 feet long has been renewed. At Glover's Gap, a new freight and sand house 36 by 16 feet, 12 feet high, has been built. At Newburg, a new metal roof has been put on round house. Platforms at Oakland, Tunnelton, 82 feet long; Glover's Gap and at Belton 44 feet 6 inches long, have been renewed. All necessary repairs to depots and buildings on line of road have been made.

MAINTENANCE OF WATER STATIONS.

The expenditure on this account was $2,935.62.

At Rawlings, Altamont, Grafton, Deer Park, No. 48, Mannington, Cameron and Wheeling the water stations have been repaired and put in good order. At Piedmont, Oakland, No. 47, Cranberry, Rowlesburg, Newburg and Benton's Ferry, pump and penstocks have been repaired.

Cost of Pumping Water.....$8,855.02

MAGNETIC TELEGRAPH.

The expenditure on this account was $4,149.80.

In November last, a severe storm prevailed along the line of the 3d division, causing destruction of line between Piedmont and Bloomington, which was renewed. There were used 7½ miles of wire, 852 poles, 1,321 cross arms, 1,516 insulators, 2,686 screw pins, and 33 brackets.

WHEELING, PITTSBURGH AND BALTIMORE RAILROAD.

Repairs of Railway.—The expenditure on this account was $17,132.67, of which $2,458.79 were for ditching and maintaining road-bed.

At Washington, Pa., 968 feet of siding have been laid.

Cost of Watching Tunnels.....$890 35

Repairs of Bridges.—The expenditure on this account was $1,798.81.

At Washington, Pa., 800 feet of trestling 14 feet high have been built to connect with the Waynesburg and Washington Railroad.

Trestle works at Nos. 1, 2, 4, 6, 7, 8, 10, 13 and 14 have been renewed, and all other trestles maintained in good order.

Repairs of Depots and Buildings.—The expenditure on this account was $1,639.30. At Washington, Pa., a new freight depot 25 by 60

feet, 24 feet high; also office 12 by 20, and platforms 6 feet wide have been built.

All necessary repairs to depots and buildings have been made.

Water Stations.—All necessary repairs have been made.

Cost of Pumping Water.....$362.73

PARKERSBURG BRANCH ROAD.

Repairs of Railway.—The expenditures on this account were, viz:

For Labor and Materials for Repairs	$133,801 42
For Renewal of Ballast	1,789 85
For Maintenance of Road	7,162 35
Total	$142,753 62

As compared with that of 1877, this amount shows a decrease of $20.233.36. There were used on this branch 1,249 tons of new rails, and 60,350 cross ties.

Repairs of Water Stations.—The expenditure on this account was $806.41.

All necessary repairs have been made and stations kept in good condition on line of road.

Cost of Pumping Water.....$3,150 34

Maintenance of Bridges.—The expenditure on this account was $11,873.94.

Valley River Bridge, top and bottom chords, floor-beams, tower and ties have been renewed; large rods put in to replace small ones taken out; side walk on each side 3 feet 4 inches wide; Fink bridge two spans, 200 feet each. Trusses and extra rods have been put in No. 2 bridge. The following bridges have been repaired: Nos. 5, 6, 8, 20, 22, 25 and 38.

New metal roofs have been put on chords and end braces on the following bridges: Nos. 33, 34, 35, 36 and 48. County road bridge, near Flemington, one span 50 feet long has been rebuilt. No. 2½ trestle, 6th section, 400 feet between masonry has been renewed in a most substantial manner.

Repairs of Depots and Buildings.—The expenditure on this account was $6,496.40.

At Clarksburg a new stable 16 by 20, 12 feet high has been built. At Salem a new passenger platform 180 feet long, 6 feet wide, has been built; also a new dwelling house 16 by 24, 18 feet high with iron roof, has been built. At Smithton a passenger platform 8 feet wide has been extended 48 feet. At West Union new stock pens and shutes have been built, and 650 feet of fencing put up. At Kanawha 4 new stock pens have been built, and 690 feet of fencing put up. At Parkersburg new coal shutes 194 feet long, 22 feet wide, 24 feet high and 384 feet incline have been built; also 250 feet stone curbing put in at passenger platform.

Repairs of Telegraph.—The expenditure on this account was $1,153 01

The line has been maintained in efficient order during the year.

There were used in ordinary repairs 333 poles, 65 cross arms, 115 screw pins, 141 insulators, 110 brackets and ½ mile of wire.

MAIN STEM.

There have been laid during the fiscal year 1,067 feet of siding between Cumberland and Wheeling. At Cameron a new brick station house 30 by 60 feet, 14 feet high, with stone foundation, 68 cubic yards masonry, has been built.

Respectfully submitted,

JNO. BRADSHAW,

Master of Road West of Cumberland.

Machinery Department Report.

OFFICE OF THE MASTER OF MACHINERY,

BALTIMORE AND OHIO RAILROAD COMPANY,

Baltimore, October 1st, 1878.

JOHN W. GARRETT, ESQ., *President:*

SIR:—I respectfully submit the accompanying report of the affairs of the Machinery Department for the fiscal year ended September 30th, 1878:

STATEMENT OF EXPENSES OF THE MACHINERY DEPARTMENT,

From October 1st, 1877, to September 30th, 1878.

MAIN STEM.

Including the Winchester and Potomac, the Winchester and Strasburg, the Strasburg and Harrisonburg, the Metropolitan Branch and the Washington City and Point Lookout Railroads, and the Washington Branch Road for the fiscal year, and the Washington County Railroad for the three months to January 1st, 1878.

Repairs of Locomotive Engines	$459,649 41	
Repairs of Passenger Cars	165,476 49	
Repairs of Pullman Cars	32,643 09	
Repairs of Tonnage Cars	439,401 40	
Repairs of Coal Cars	120,359 31	
Repairs of Stock Cars	67,159 15	
Repairs of Stationary Machinery	80,199 17	
Cleaning Engines and Cars, and Putting away Engines	80,893 90	
Preparing Fuel and Filling Tenders	23,335 72	
Contingent Expenses	4,688 69	
Fuel	275,306 01	
		$1,749,112 34

PARKERSBURG BRANCH ROAD.

Repairs of Locomotive Engines	$34,707 67	
Repairs of Passenger Cars	5,050 53	
Repairs of Pullman Cars	224 10	
Repairs of Tonnage Cars	27,776 04	
Repairs of Coal Cars	5,504 58	
Repairs of Stock Cars	9,893 28	
Repairs of Stationary Machinery	3,245 01	
Cleaning Engines and Cars, and Putting away Engines	5,973 29	
Preparing Fuel and Filling Tenders	1,431 77	
Contingent Expenses	72 85	
Fuel	21,039 78	
		114,918 90
		$1,864,031 24

The efficiency of the locomotive equipment of the Main Stem has been fully maintained. Eighty-seven engines have received thorough repairs during the year, the cost of which has been $154,023.63, which sum has been included in the repairs of locomotives.

COMPARISON OF MILES RUN BY LOCOMOTIVES.

	Main Stem.	Park. Br.	Wash'n Br.	Total.
1877	8,034,766	1,205,999	867,775	10,108,540
1878	8,303,055	1,170,745	778,688	10,252,488
Increase	268,289			143,948
Decrease		35,254	89,087	

The increase this year over the preceding year of $241,337.31 in the repairs of burden cars, has been caused by the large amount of work done. 195 cars have been built during the year at a cost of $86,904.99 which amount has been charged to repairs. Included in these 195 cars are 25 refrigerator cars, specially built for the transportation of all kinds of perishable goods. 2,502 cars have received thorough repairs. A large number have been furnished with the continuous draw-bar and the iron truck in substitution of the wooden truck. These cars have been otherwise so arranged as to enable them to carry a considerable addition to the load heretofore fixed, thus practically adding largely to the tonnage capacity of the service. 108 gondola cars have been altered to house cars, with secure floors, to adapt them for the transportation of grain; the capacity of 366 iron hopper cars has been increased from 20,000 to 26,000 pounds for coal purposes, and 397 iron hopper cars have been enlarged, with a capacity to carry 26,000 pounds, to meet the requirements of the grain traffic.

The passenger car equipment has been maintained at a satisfactory and efficient standard.

The shop machinery and tools at all points on the line have been fully maintained.

4,012 tons of iron rails and 1,488 tons of bar iron of superior quality have been manufactured at the rolling and bar mills at Cumberland during the period of the fiscal year in which they have been in operation.

The officers and employees deserve my acknowledgements for faithful services.

Respectfully submitted,

JOHN C. DAVIS,

Master of Machinery.

Trans-Ohio Divisions.

Baltimore and Ohio Railroad Company,
TRANS-OHIO DIVISIONS,
OFFICE OF SUPERINTENDENT,
CHICAGO, *October 1st, 1878.*

JOHN W. GARRETT, ESQ., *President:*

SIR:—Herewith find a statement of the operations of the Trans-Ohio Divisions for the fiscal year ended September 30th, 1878.

CENTRAL OHIO DIVISION.

Comparison of the Earnings and Expenses for the Fiscal Year 1878 *with* 1877.

	1877—1878.	1876—1877.
Earnings	$829,252 77	$761,524 88
Expenses	563,804 84	612,237 37
Earnings more than Expenses	$265,447 93	$149,287 51
Miles Run by Engines	1,282,787	1,161,421

ROAD DEPARTMENT.

Repairs of Railway.—Between Bellaire and Newark 1,643 tons of steel rails and 246 tons of new iron rails have been laid in the track, and 80 tons of steel rails between Newark and Columbus, a total of 1,969 tons between Bellaire and Columbus. Three and three-quarters miles of track have been re-ballasted between Bellaire and Newark, (1¼ miles with gravel and 2½ miles with stone) and 1 mile re-ballasted between Newark and Columbus, a total of 4¾ miles. 37,032 cross ties have been placed in the track between Bellaire and Newark, and 11,725 between Newark and Columbus, a total of 48,757. Included in this quantity are those used in new sidings, of which 1,774 feet have been laid, 1,094 feet between Bellaire and Newark, and 680 between Newark and Columbus. Twelve cattle guards have been rebuilt between Bellaire and Columbus, 2,898 feet of fencing between Bellaire and Newark, and 3,916 feet between Newark and Columbus have been built, a total of 6,814 feet upon the Division.

On Tuesday, March 12th, 1878, heavy rains upon the Ohio Divisions caused a slide in the narrows of Licking river, washing out both abut-

ments, and thirty feet of embankment at Rockdale bridge, both abutments and thirty-five feet of embankment at Morrison's culvert, and both abutments and twenty-five feet of embankment at Poverty Run bridge. The superstructures of the bridges at Rockdale and Poverty Run were precipitated to the streams below. The damages were repaired and the road reopened for business on Friday, March 15th, 1878.

Bridges.—Two spans of trussed girder bridge, each 32 feet long, have been rebuilt at Upper Ramp Creek, and two similar spans rebuilt at Lower Ramp Creek. Howe truss bridge No. 6 has been re-roofed. New ties, and tie stays have been placed on the trussed girders at Clay Lick. The Howe truss bridge at Rockdale, 50 feet long, destroyed by the high water, March 12th, has been replaced by a Howe truss bridge 56½ feet long. The trusses of Howe truss bridge No. 11, have been roofed and covered. The iron bridge over Salt Creek has been strengthened by additional lateral rods and larger truss rods in the floor beams. New ties and tie stays have also been placed in this bridge. Howe truss bridge No. 18, which was destroyed by fire September 9th, 1877, has been replaced with a Keystone iron bridge, 141 feet 9 inches long, and 25 yards of masonry were built for new bridge seats. Howe truss bridge No. 20, which was destroyed by an accident with a train, has been replaced with a Keystone iron bridge 93 feet long. 19 yards of masonry were built for new bridge seats. Howe truss bridge No. 33, which was destroyed by fire, April 20th, 1877, has been replaced with a Keystone iron bridge 82½ feet long. 18 yards of masonry were built for new bridge seats. 107 feet of trestlework, and 140 feet of box sewers have been rebuilt. Morrison's culvert, which was destroyed by high water, March 12th, 1878, has been replaced by a stone arch culvert 15 feet clear span, and containing 349 yards of masonry.

All other bridges, trestles, and culverts have been kept in good order.

Depots and Buildings.—The freight house at Columbus has been re-roofed, and an additional freight shed 16 by 85 feet erected. At Newark a track scale of the Howe pattern, 50 tons capacity, has been put in. Twenty-six yards of masonry were used in its foundation. A new stock shute and two pens, each 40 by 65 feet, have been built at Black Hand. The stock yard and shute have been rebuilt at Pleasant

Valley. At Zanesville the planing mill and saw shop have been re-roofed. A baggage and express room, 12 by 24 feet, has been built at Cambridge. At Campbell's the stock shute, and at Quaker City the stock shute and pens have been rebuilt. A coal house, 10 by 12 feet, has been built at Warnocks. The passenger platforms at Pleasant Valley, Zanesville, Glencoe and Bellaire, have been rebuilt. At Zanesville an additional 110 feet and at Union a new platform 210 feet long, have been built. All other depots and buildings have been kept in good order.

Water Stations.—A foundation containing 23½ yards of masonry has been built for a new water station at Sonoro. At Glencoe the horse power has been replaced by a steam pump and boiler, and 100 feet of three inch pipe laid to the creek.

All other water stations have been kept in good repair.

The Telegraph Line has been kept in good working order.

LAKE ERIE DIVISION.

Comparison of the Earnings and Expenses for the Fiscal Year 1878 *with* 1877.

	1877—1878	1876—1877.
Earnings	$657,632 04	$698,065 14
Expenses	423,404 73	448,508 69
Earnings more than Expenses	$234,227 31	$249,556 45
Miles Run by Engines	841,442	854,540

ROAD DEPARTMENT.

Repairs of Railway.—624 tons of steel and 326 tons of iron rails, a total of 950 tons have been laid in the track. 5,000 feet of track have been re-ballasted with gravel. 27,269 cross ties have been placed in the track. 10,191 feet of fencing have been put up. 51 cattle guards have been rebuilt.

Bridges.—Howe truss bridges Nos. 1, 2, 4 and 11 have been extensively repaired. A trussed girder bridge of 30 feet span has been built at Mount Vernon. 566 feet of trestle work and 230 feet of wooden box sewers have been rebuilt. All other bridges, trestles and culverts have been kept in good order.

Depots and Buildings.—At Plymouth, a stock yard 44 by 80 feet has been built, and a passenger platform 186 feet long rebuilt. A watch

box has been built at Chicago Junction. At Sandusky, the warehouse dock 602 feet long has been rebuilt, and extensive repairs made to the coal shutes. The passenger platforms at Newark and Independence have been extended. All other depots and buildings have been kept in good repair.

Water Stations.—At Monroeville, a new Burham frost proof tank 16 by 20 feet has been built, and 206 feet of 4-inch pipe laid. The power house at Independence having been destroyed by fire, a power house has been erected, in which has been placed a steam pump and boiler; 133 feet of 3-inch pipe being laid. All other water stations have been kept in good repair.

The Telegraph Line has been kept in good working order.

STRAITSVILLE DIVISION.

Comparison of the Earnings and Expenses for the Fiscal Year 1878 *with* 1877.

	1877—1878.	1876—1877.
Earnings	$135,295 06	$164,200 81
Expenses	84,545 79	113,573 48
Earnings more than Expenses	$50,749 27	$50,627 33
Miles Run by Engines	223,722	272,543

ROAD DEPARTMENT.

Repairs of Railway.—656 tons of iron rails have been laid in the track. About three miles of track have been re-ballasted. 16,755 cross ties have been placed in the track. 28,859 feet of fencing have been built. 29 cattle guards have been built. Extensive repairs have been made to Bristol tunnel.

Bridges.—The large trestles North and South of Somerset have been extensively repaired. 421 feet of trestle work and 117 feet of wooden box sewers have been built. 360 feet of trestle work have had rail joists, ties and tie stays renewed. All other bridges, trestles and culverts have been kept in good order.

Depots and Buildings.—The stock shute at National Road has been rebuilt. Two new stock yards 21 by 38 feet have been built at Thornport. 91 feet of passenger platforms have been rebuilt at Bristol and

Junction City. All other depots and buildings have been kept in good repair.

Water Stations have all been kept in good order.

The Telegraph Line has been kept in good working order.

CHICAGO DIVISION.

Comparison of the Earnings and Expenses for the Fiscal Year 1878 *with* 1877.

	1877—1878.	1876—1877.
Earnings	$1,057,558 96	$957,695 60
Expenses	628,010 57	834,415 21
Earnings more than Expenses	$429,548 39	$123,280 39
Miles Run by Engines	1,349,684	1,499,327

ROAD DEPARTMENT.

Repairs of Railway.—420 tons of steel rails and 378 tons of new iron rails have been laid in the track. 4,500 feet of track were ballasted and 2 miles re-ballasted with gravel. Garrett yard was also ballasted for a distance of 600 yards. 18,913 new cross ties were placed in track, including 1,369 placed in sidings. There have also been used 2,930 feet of switch timber. At Sherwood Station, 424 feet of side track have been laid. 5,013 feet of fencing have been built. The crossing of Randolph street at Garrett has been planked across railroad tracks, a distance of 24 by 74 feet.

Bridges.—A Howe truss bridge at St. Joe has been repaired and strengthened by putting in additional chord pieces, and extra suspension rods in each panel. A short span between the two main trusses has been strengthened with iron truss rods under each chord. Thirty-six new bents have been placed in trestle works.

Depots and Buildings.—A coal house has been built at Attica. At Hicksville, a shed over the drive-way at the elevator, an office, and a 40 ton track scale of the Howe pattern, with 24 yards of masonry in the foundation, have been erected. A room for the Baltimore and Ohio Express has been fitted up in the depot building at Auburn Junction. At Wellsboro', a new track scale of the Howe pattern, (40 tons capacity) with 24 yards of masonry in the foundation, has been erected. Four

stables for the Express service, each 12 by 20 feet, have been built at Attica, Republic, Cromwell and Napanee. A passenger platform, 8 by 150 feet, has been built at Bascom; also a sidewalk at Fostoria, 6 by 166 feet, and one at New Baltimore, 8 by 341 feet. The transfer table and oil house at Garrett, which were incomplete at the close of last fiscal year, have been finished and put in use. A shed, 11 by 27 feet, has also been erected to store wood for passenger car service. The elevator at Albion was destroyed by fire, June 4th, 1878, and has been replaced by a grain house 26 by 50 feet, and the outside covered with corrugated iron. The citizens of Delaware Bend and Sherwood have erected at each place a depot building 18 by 32 feet, and have transferred them to the Company. All other depots and buildings have been kept in good repair.

Water Stations are all in good order.

The Telegraph Line has been kept in good order.

Respectfully,

C. H. HUDSON,

Supt. Trans-Ohio Divisions.

APPENDIX.

ACT OF THE GENERAL ASSEMBLY OF MARYLAND, CHAPTER 155. *Approved on the 27th March, 1878.*

AN ACT to adjust and settle finally by an agreement all pending controversies between the Baltimore and Ohio Railroad Company and the State of Maryland, by subjecting the franchises and property of said Company within this State to taxation for State purposes to a certain extent, and by providing for the payment of certain indebtedness of the said Baltimore and Ohio Railroad Company to the said State, and for the establishment by contract of certain rates of toll and transportation for coal, lumber, pig iron, ores of all kinds, and stone, transported by the said Baltimore and Ohio Railroad Company to the basins of the Chesapeake and Ohio Canal Company, at or near Cumberland, and by providing on certain conditions for the release of the right of the State to any proportion of the moneys received by the said Company for the transportation of passengers on its Railroad between Baltimore and Washington, otherwise than by way of dividends upon its stock in the Washington Branch Railroad of said Company.

WHEREAS The Baltimore and Ohio Railroad Company has made application to this General Assembly to be released from its contract for payment to the State of one-fifth of its receipts for transportation of passengers over the Washington Branch of its road, as provided by the eighth section of the Act of eighteen hundred and thirty-two, chapter one hundred and seventy-five, on the ground of the said contract having become onerous and inequitable in its operation since the opening of a competing road, subsequently chartered under the authority of this State; and,

WHEREAS It is deemed by this General Assembly to be just and proper as an equitable settlement of all controversies now pending between said Company and the State, that the said Company, in consideration of its release from the said contract, and in lieu of its obligation of payment thereunder, shall agree to a modification of its contract with the State for exemption from taxation, as provided by the eighteenth section of the Act of eighteen hundred and twenty-six, chapter one hundred and twenty-three, incorporating said Company, by submitting to taxation to the extent of one-half of one per centum of its gross receipts within the State, as hereinafter provided: Now, therefore,

SECTION 1. *Be it enacted by the General Assembly of Maryland*, That all the franchises and property of every description, and gross receipts of the Baltimore and Ohio Railroad Company within the State of Maryland, shall be subject to taxation for State purposes to the extent of an annual tax of one-half of one per centum on the gross receipts of its railroads and branches within this State, including its Metropolitan Branch Railroad, and from its entire Washington Branch Railroad, and from all other sources within this State, but to no further or greater extent nor otherwise; and, provided, the said Company, in consideration of the release of its obligation to pay to the State the one-fifth of its gross receipts for the transportation of passengers over the Washington Branch of its road, as provided by the eighth section of the Act of eighteen hundred and thirty-two, chapter one hundred and seventy-five, shall agree on its part in the manner and upon the terms hereinafter provided, to modify its contract for exemption from taxation as contained in the eighteenth section of the Act of eighteen hundred and twenty six, chapter one hundred and twenty-three, incorporating said Company, by submitting all its franchises and property of every description, and all its gross receipts within the State of Maryland to taxation for State purposes, to the extent and in the manner above named, and to no further or greater extent, nor otherwise, and shall also accept the provisions of this Act in the manner

hereinafter provided, then no other, further or greater tax or burden for State purposes shall ever hereafter be levied or imposed by the authority of this State, or by any law thereof, upon any of the franchises or property of any description or receipts whatsoever of said Company; Provided, that nothing in this Act shall be construed as exempting any property or franchises of the said Railroad Company from taxation for county and municipal purposes, which by existing laws and the decisions of the Court of Appeals of this State, is now held liable to taxation; and the exemption from taxation created and provided for by the eighteenth section of the Act of eighteen hundred and twenty-six, chapter one hundred and twenty-three, entitled "An Act to incorporate the Baltimore and Ohio Railroad Company," be and the same is hereby declared to be modified to the extent of substituting the tax imposed upon said Company by the second section of this Act, in lieu of the tax imposed by the eighth section of the Act of eighteen hundred and thirty-two, chapter one hundred and seventy-five, but to no further or greater extent, nor otherwise.

SECTION 2. *And be it enacted*, That the Baltimore and Ohio Railroad Company in consideration of the release of its obligation to pay to the state, one-fifth of its receipts for the transportation of passengers over the Washington Branch of its road, as provided by the eighth section of the Act of eighteen hundred and thirty-two, chapter one hundred and seventy-five, and in lieu of such payments for the future, shall pay to the Treasurer for the use of the State, on or before the first day of January in each and every year hereafter, a tax of one-half of one per centum annually on the gross receipts of all its railroads and branches within the State of Maryland, including its Metropolitan Branch Road and its entire Washington Branch Railroad, and from all other sources within this State, for the year ending on the preceding thirtieth day of September; and it shall be the duty of the President or chief officer of the Baltimore and Ohio Railroad Company to exhibit, on oath or affirmation, to the Comptroller of the Treasury, on or before the first day of November in each and every year, an account showing the total amount of the aforesaid gross receipts of said Railroads and Branches within the State of Maryland, including its Metropolitan Branch Railroad, and of its entire Washington Branch Railroad, and from all other sources within this State, for the preceding year, ending on the preceding thirtieth day of September, as aforesaid, and the State tax of one-half of one per centum thereon.

SECTION 3. *And be it enacted*, That the Baltimore and Ohio Railroad Company shall pay upon the warrant of the Comptroller into the Treasury of this State, on or before the first day of July, in the year eighteen hundred and seventy-eight, the sum of one hundred thousand five hundred and forty dollars and sixty-four cents, which shall be received by the Treasurer of this State in, and shall be in full satisfaction of all claims of this State for the State taxes upon the gross receipts of the said Company from the first day of April, in the year eighteen hundred and seventy two, to the thirty-first day of December, in the year eighteen hundred and seventy-seven.

SECTION 4. *And be it enacted*, That the sum of three hundred and sixty-six thousand three hundred and seventy dollars and fifty-six cents shall be deemed and taken to be the whole sum due by Baltimore and Ohio Railroad Company to the State of Maryland to the first day of January, in the year eighteen hundred and seventy eight, for the State's proportion of the whole amount of money received by the said Baltimore and Ohio Railroad Company for the transportation of passengers on its Railroad between Baltimore and Washington, or any part of its Railroad between Baltimore and Washington, and for all dividends upon the State's stock in the Washington Branch Railroad up to October, in the year eighteen hundred and seventy-seven, after crediting to the said Baltimore and Ohio Railroad Company, all claims of every description whatsoever of said Company against the State of Maryland; and it shall be the duty of the said Baltimore and Ohio Railroad Company, on or before the said first day in July, in the year eighteen hundred and seventy-eight, to provide for the payment of said indebtedness by making, executing and delivering to the Treasurer of this State its bonds for the aggregate amount of three hundred and sixty-six thousand dollars, each bond to be for the sum of one thousand dollars,

dated July first, eighteen hundred and seventy-eight, and payable to the bearer thereof, ten years after date at the office of the said Company, in the City of Baltimore, with interest thereon in the meantime at the rate of six per centum per annum, payable semi-annually at the said office, on the first days of January and July upon presentation and surrender of the coupons for such interest, which shall be annexed to such bonds respectively, and the balance of said aggregate amount, to wit, the sum of three hundred and seventy dollars and fifty-six cents, shall be paid in cash to the Treasurer of the State on or before the first day of July, eighteen hundred and seventy-eight.

SECTION 5. *And be it enacted*, That it shall be the duty of the Baltimore and Ohio Railroad Company, in consideration of the advantages accruing to it from this Act, to enter into an agreement under its corporate seal, it having first been duly authorized so to do by a general meeting of the stockholders of said Company duly called, in a form approved by the Governor and Attorney General of this State, with the State of Maryland and the Chesapeake and Ohio Canal Company, whereby the said Baltimore and Ohio Railroad Company shall bind itself, its successors and assigns, to permit any Railroad Company now incorporated, or to be hereafter incorporated under the laws of this State, to connect its railroad with the railroad or railroads of said Baltimore and Ohio Railroad Company at any point at or near Cumberland, in this State, and also at any point west of Cumberland, on the line or lines of said Baltimore and Ohio Railroad Company within this State; the point or points of junction to be designated by the Railroad Company or Companies desiring to make such connection, subject, however, to the approval of the Board of Public Works of the State of Maryland, in case of any dissent on the part of said Baltimore and Ohio Railroad Company, as to the point or points so designated; and the said Baltimore and Ohio Railroad Company shall also in the contract aforesaid bind itself, its successors and assigns to receive and transport over its main stem and the branches thereof now constructed or hereafter to be constructed, and to deliver at the basins of the Chesapeake and Ohio Canal Company at or near Cumberland, or within four miles thereof, on the line of the said Baltimore and Ohio Railroad, the points of delivery on said basins to be designated by the said Chesapeake and Ohio Canal Company or by the shippers, all coal, lumber, pig-iron, ores of all kinds, and stone intended for shipment on said Chesapeake and Ohio Canal, or for the use of the said Chesapeake and Ohio Canal Company, which may be offered to it at any point on its main stem or the branches thereof now constructed or hereafter to be constructed, in bulk or in loaded cars, as the same may have been originally offered to said Railroad Company on its main stem or any branch thereof as aforesaid, without reloading or reshipment, at a uniform rate of charge of two and one half cents per ton of two thousand pounds per mile, for tolls and transportation for all distances under twenty miles counting west from the basins of the Chesapeake and Ohio Canal, at Cumberland, Maryland; and at a uniform rate of one and three-fourths cents per ton of two thousand pounds per mile for tolls and transportation for all distances exceeding twenty miles, and not exceeding twenty-eight miles, counting west from the said basins at Cumberland, Maryland, and at the same rate from Piedmont Station on the said Baltimore and Ohio Railroad to the said basins at Cumberland, Maryland; and at a uniform rate of one and one-quarter cents per ton of two thousand pounds per mile for tolls and transportation for all distances exceeding twenty-eight miles, counting west from the said basins at Cumberland, Maryland, and for all distances from points on the line of the Baltimore and Ohio Railroad, west of said Piedmont Station; which said respective rates shall be in full for all charges for tolls and transportation, and shall include all charges of said Baltimore and Ohio Railroad Company for receiving, weighing and delivering said coal, lumber, pig-iron, ores of all kinds, and stone; but the shippers of such articles shall cause the same to be loaded on the cars at their own expense; and to return said cars, in which said coal, lumber, pig-iron, ores of all kinds, and stone have been loaded, after the same shall have been unloaded, free of charge, to the place, or places, where they were respectively received, with reasonable dispatch, if so requested by the consignors of said coal, lumber, pig-iron, ores of all kinds, and stone, or the owners of said cars;

Provided however, that when said coal, lumber, pig-iron, ores of all kinds and stone, are delivered to the said Baltimore and Ohio Railroad Company in cars belonging to any other person, persons, corporation, or corporations, such person or persons, corporation or corporations, shall be entitled to, and receive from said Baltimore and Ohio Railroad Company, an allowance of one-fourth of one cent per ton of two thousand pounds per mile, on the coal, lumber, pig-iron, ores of all kinds, and stone so transported on the main stem of said Baltimore and Ohio Railroad Company, or the branches thereof as aforesaid; and the said Baltimore and Ohio Railroad Company, in transporting said coal and other articles, hereinbefore mentioned, shall use reasonable dispatch; and the cars containing the same, shall be given the same facilities as cars composing other freight trains on the line of said railroad, and the said cars containing said coal, lumber, pig-iron, ores of all kinds and stone shall be unloaded by the Chesapeake and Ohio Canal Company with reasonable dispatch, and said Baltimore and Ohio Railroad Company shall also, in the contract aforesaid, bind itself, its successors and assigns, to forward its cars from the main stem and branches thereof to any coal mine which may be on any lateral railroad now or hereafter connected with said main stem or branch thereof west of Cumberland, for the purpose of transporting coal and other articles hereinbefore mentioned in car loads over such lateral railroads, and over the said main stem and branches of said Baltimore and Ohio Railroad Company to the said basins of said Chesapeake and Ohio Canal Company, and shall receive for the use of said cars on any such lateral roads the sum of one-half of one cent per ton of two thousand pounds per mile for the distance said cars may pass over such lateral road or roads not belonging to said Baltimore and Ohio Railroad Company; *Provided* that the rate hereinbefore prescribed to be agreed upon for the transportation of lumber intended for shipment on said canal, or for the use of said Canal Company, shall apply only to lumber which may be shipped from points on said main stem not distant more than sixty miles westwardly from said canal basins at Cumberland; *And provided* that nothing in this section, nor in the contract to be made thereunder, shall be deemed or taken to affect or limit the existing rights and privileges of the Baltimore and Ohio Railroad Company in reference to charges for tolls or transportation upon its road or branches, except in so far as they are specially limited by the provisions of this section and the contract to be made thereunder; *And provided* that nothing in this section contained, or in the contract to be made thereunder shall be deemed or taken to apply to any railroad now operated by the Baltimore and Ohio Railroad Company, under a contract or lease; and the said contract so to be entered into by the said Baltimore and Ohio Railroad Company, shall provide that in case any disagreement shall arise between the parties to said contract, as to the proper interpretation thereof, or as to the rights of any of the parties under said contract, a bill for the proper interpretation of said contract in any particular, and for the enforcement of the rights of any of the parties under said contract, may at any time and from time to time, be filed by any of the parties to said contract in the Circuit Court of any county in the State, or in the Circuit Court of Baltimore City; and enforcement and execution of any decree which may be passed in the premises, shall be had in the manner usual in such cases; and from any order or decree passed by any of said Courts under any bill so filed, any of the parties to said contract may appeal to the Court of Appeals in the manner provided by the general laws of the State regulating appeals from courts of equity.

SECTION 6. *And be it enacted*, That if this Act and all the provisions thereof shall be accepted by the stockholders of the said Baltimore and Ohio Rail Road Company, at a general meeting of said stockholders, duly called for said purpose, before the first day of July, in the year eighteen hundred and seventy-eight, at which said meeting the Directors in said Company appointed on the part of the State, are hereby directed to vote the stock owned by the State in said Company in favor of the acceptance of this Act, and of the provisions thereof; and if said Company shall evidence such acceptance by an instrument of writing, duly executed under its corporate seal, and filed in the office of the Secretary of State, and if all the other acts required by this Act to be done and performed by the said Baltimore and Ohio Railroad Company are done and performed by said

Company in the manner required by this Act, on or before the said first day of July in the year eighteen hundred and seventy-eight, and the Governor of this State, by and with the advice of the Attorney General thereof, shall so certify, then the said Baltimore and Ohio Railroad Company shall not be required to account for, or pay, into the Treasury of this State any portion of the amount by it received before the first day of January in the year eighteen hundred and seventy-eight, or thereafter, or to be thereafter received for the transportation of passengers on its railroad between Baltimore and Washington, or any part of its railroad between Baltimore and Washington, other than by way of dividends on the stock of the said State in the Washington Branch Railroad of said Company, or other than as is hereinbefore provided; and said Company shall thenceforth forever be released from its obligation to pay into the Treasury of the State the one-fifth of the whole amount, which may have been, or may hereafter be, received by said Company for the transportation of passengers on its Washington Branch Railroad, as provided by the eighth section of the Act of eighteen hundred and thirty-two, chapter one hundred and seventy-five, and every part thereof; but upon the failure of the said Baltimore and Ohio Railroad Company to comply with each and all the requirements of this Act on, or before, the first day of July, eighteen hundred and seventy-eight, then and in such event this Act, and every matter and thing therein contained, shall be utterly null and void, and the State of Maryland shall hold and enforce all its claims and rights against the said Baltimore and Ohio Railroad Company in the same manner, and to as large an extent, as if this Act had never been passed.

SECTION 7. *And be it enacted*, That upon the acceptance of this Act by the said Company, as provided by the sixth section thereof, and the receipt by the Treasurer of the money mentioned in the third and fourth sections, and of the bonds mentioned in the fourth section, all the suits now pending between the State and the said Company in reference to its receipts for transportation of passengers on its Washington Branch and the tax upon its gross receipts, and the dividends upon the State's stock to October, eighteen hundred and seventy-seven, in the Washington Branch shall be entered agreed, on payment of all costs by the said Company.

SECTION 8. *And be it enacted*, That this Act shall take effect from the date of its passage, subject nevertheless, to all the conditions and limitations in reference to the provisions of the said Act, which are in said Act set forth and expressed.

Approved March 27th, 1878.

JOHN LEE CARROLL,
Governor.

{ SEAL. }

EDWARD LLOYD,
President of the Senate.

FETTER S. HOBLITZELL,
Speaker of the House of Delegates.

MARYLAND, *sct:*

I, James S. Franklin, Clerk of the Court of Appeals of Maryland, do hereby certify that the foregoing is a full and true copy of the Act of the General Assembly of Maryland, of which it purports to be a copy as taken from the original law belonging to and deposited in the office of the Clerk of the Court of Appeals of Maryland.

In testimony whereof, I hereunto set my hand as Clerk and affix the seal of the said Court of Appeals this 29th day of March, 1878.

{ SEAL. }

JAMES S. FRANKLIN,
Clerk of Court of Appeals of Maryland.

COMPARATIVE DISTANCES
TO BALTIMORE AND NEW YORK.

FROM CHICAGO, ILL.

		Miles
To Baltimore,	via. Baltimore & Ohio R. R.	795
To New York,	via. New York Central R. R.	980
	" Erie Railway,	961
	" Penna. R. R.	913

Less to Baltimore than the average distance to N. York, 160

FROM ST. LOUIS, MO.

To Baltimore,	via. Baltimore & Ohio R. R.	918
To New York,	via. New York Central R. R.	1267
	" Erie Railway	1201
	" Penna. R. R.	1064
Less to Baltimore than the average distance to N. York,		259

FROM LOUISVILLE, KY.

To Baltimore,	via. Baltimore & Ohio R. R.	688
To New York,	via New York Central R. R.	992
	" Erie Railway,	930
	" Penna. R. R.	867
Less to Baltimore than the average distance to N. York,		262

FROM CINCINNATI, O.

To Baltimore,	via. Baltimore & Ohio R. R.	578
To New York,	via New York Central R. R.	882
	" Erie Railway,	861
	" Penna. R. R.	767
Less to Baltimore than the average distance to N. York,		255

FROM PITTSBURG, PA.

To Baltimore,	via Baltimore & Ohio R. R.	327
" New York,	" the Penna. R. R.	444
Difference in favor of Baltimore,		117

FROM OMAHA, NEB.

To New York,	via. Chicago,	1459
To Baltimore,	" Baltimore & Ohio R. R.	1287
Difference in favor of Baltimore,		172

FROM KANSAS CITY, MO.

To Baltimore, via. Baltimore & Ohio R. R.	1193
To New York,	1452
Difference in favor of Baltimore.	259

FROM WASHINGTON CITY.

Alexandria, Staunton, Danville and all points South of these Cities,	
Difference in favor of Baltimore over New York,	196

LENGTH OF FINISHED TRACK.

	Miles	
From Baltimore to Wheeling, W. Va.	379	*Main Stem.*
" *Relay Station to Washington,*	31	*Washington Branch,*
" *Point of Rocks to Washington,*	43	*Metropolitan Branch.*
" *Grafton to Parkersburg, W. Va.*	104	*Parkersburg Branch.*
" *Pittsburg to Cumberland,*	150	*Pittsburg Branch.*
" *Knoxville to Hagerstown, Md.*	24	*Washington County Branch.*
" *Monocacy to Frederick, Md.*	3	*Frederick Branch.*
" *Bellair to Columbus, Ohio,*	137	*Central Ohio Division.*

24	*Washington County Branch.*	
3	*Frederick Branch.*	
137	*Central Ohio Division.*	
116	*Lake Erie Division.*	
44	*Steubenville Division.*	
271	*Chicago Division,*	
126	*Harper's Ferry and Valley Branch.*	
13	*Bladensburg Branch.*	
32	*Wheeling, Pittsburg and Baltimore Division.*	
14	*Fayette County Branch*	
10	*Mt. Pleasant Branch*	
1	*Camden Cut off.*	
4	*Locust Point Road.*	
640		
3	*Great Iron Bridges over the Ohio River.*	
276	*Marietta & Cincinnati and Branches.*	
498	*2d Track and Sidings.*	
18.5	*Cincinnati & Baltimore, 2d, 3d, 4th Tracks and Sidings.*	
36.7	*Baltimore Short Line and Sidings.*	
724	*Ohio & Mississippi, Branches and Sidings.*	
303	*Wash'g City, Va. Mid. & Gt. Southern and Branch.*	
Total	3558.	

Monocacy to Frederick, Md.
Bellair to Columbus, Ohio,
Newark to Sandusky, Ohio,
Newark to Shawnee, Ohio,
Chicago Junc. to Chicago, Ill.
Harper's Ferry to Staunton, Va.
Bladensburg to Alexandria,
Wheeling to Washington, Pa.
Connellsville to Uniontown, Pa.
Broad Ford to Mt. Pleasant, Pa.
South Penn Street to Deep Cut,
Mount Clare Junction to Locust Point. (Marine Terminus,) 2d, 3d, and 4th Tracks and Sidings,
Parkersburg W. Va. to Belpre, Ohio, 1.4
Benwood W. Va. to Bellaire, Ohio, 1.6

Co-operative Connections.

BALTIMORE & WILMINGTON STEAMSHIP LINE

BALTIMORE & CHARLESTON STEAMSHIP LINE.

BALTIMORE & SAVANNAH STEAMSHIP LINE

BALTIMORE STEAMSHIP LINE

NEW YORK & NEW ORLEANS STEAMSHIP LINE

NEW ORLEANS STEAMSHIP LINE.

MAP OF THE BALTIMORE AND OHIO RAIL ROAD WITH ITS BRANCHES & CONNECTIONS.

Explanation.

- *Baltimore & Ohio R.R. and Branches.*
- *Co-operative Connections.*
- *Rail Roads.*
- *Unfinished and Proposed R.Rds.*
- *Marine Lines.*
- *Canals.*

Ohio River Bridges.

All Iron and Stone.	BENWOOD.	PARKERSBURG.
Cub. yds. Masonry,	40,228.	39,052
Spans,	*1 of 350, 1 of 241 & 4 of 210 ft.*	*2 of 350 & 4 of 210 ft.*
Approaches,	*Stone Arcade 1,433 ft. long with 43 Arches of 28½ ft. span. 7 spans of Iron 107 ft. each.*	*Embk't 2,676 ft. long, 40 ft. high. 5 Spans of 121, 2 of 126, 8 of 100, 3 of 55, 12 of 59 & 11 of 26 ft.*
Total Bridging,	*3,917 ft.*	*4,464 ft.*
" Cost,	$1,033,148.21.	$1,355,789.63.

Equipment of B. & O. R. R.

Locomotive Engines	*560*
Stationary -	*49*
Passenger (including Baggage) Cars	*335*
Postal Cars	*13*
Freight (including Coal) Cars	*12062*

SCALE, 1 INCH = 40 MILES

1878.

Officers.

John W. Garrett, *President*

John King, Jr. *1st Vice President*

Wm Keyser, *2nd Vice President*

James L. Randolph, *Chief Engineer*

W. M. Clements, *Master of Transportation*

John Bradshaw, *Master of Road*

John C. Davis, *Master of Machinery.*

C. H. Hudson, *Supt Trans. Ohio Divisions*

John L. Wilson, *Supt of Terminal Tracks & Structures at Baltimore.*

E. K. Hyndman, *Supt Pittsburgh Divisions*

W. H. Ijams, *Sect'y & Treasurer*

Wm T. Thelin, *Auditor*

L. M. Cole, *Gen Ticket Agent*

M. L. Doherty, *Gen Freight Agent*

Drawn by Walter F. Elmer Baltz, *Asst. Engr.*

Lith. by Allen & Co Baltimore

85° 83° 81° 79° 77° 75° 73°



Ohio Rail Road—Locust Point, Baltimore, Md.

TAHLEQUAH

ARKANSAS

LITTLE ROCK

MEMPHIS

CHARLESTON

COUNCIL BLUFFS

BURLINGTON

QUINCY

SPRINGFIELD

ST LOUIS

MISSISSIPPI

OHIO

VICKSBURG

JACKSON

MERIDIAN

NATCHEZ

MOBILE

BATON ROUGE

NEW ORLEANS

LAKE MICHIGAN

MILWAUKEE

CHICAGO

BALTIMORE & GALVESTON STEAMSHIP LINE

GALVESTON

BALTIMORE, KEY WEST & NEW OR

97°

95°

93°

91°

89°

87°

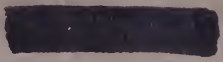
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